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on behalf of himself and all others similarly situated
and aggrieved

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE

JIMMY A. PALMA, an individual and on
behalf of all others similarly situated,

Plaintiff,

v.

SUNSET SIGNS AND PRINTING, INC., a
California corporation; TRACY
ESCHENBRENNER, an individual;
and DOES 1 through 100, inclusive,

Defendants.

CASE NO.: 30-2024-01379991-CU-OE-CXC

[Assigned for all purposes to the Hon. Melissa
R. McCormick in Dept. CX-104]

**DECLARATION OF JOSHUA SHIRIAN
IN SUPPORT OF PLAINTIFF'S MOTION
FOR PRELIMINARY APPROVAL OF
CLASS ACTION SETTLEMENT**

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5. The Parties initially began litigation, consisting of discovery requests propounded on Defendant Sunset Signs in order to investigate Plaintiff's claims and initiate the process to obtain contact information for the putative class members pursuant to *Belaire-West Landscaping, Inc. v. Sup. Ct.*, (2007) 149 Cal.App.4th 554.).

6. Thereafter, the Parties agreed to attend mediation with an exchange of informal discovery including, without limitation, the productions of: (1) 100% of time and payroll records for approximately 114 Class Members; (2) data points including the number of Class Members and PAGA Aggrieved Employees, number of currently employed and separated Class Members, the number of shifts and pay periods worked, the number of wage statements issued to the Class Members, and the average rate of pay for Class Members; (3) relevant policy and other documents pertaining to Sunset Sign's operations and wage and hour practices; (4) all personnel records, time records, payroll records and wage statements relating to Plaintiff; and (5) exemplars of any purported meal period waivers, arbitration agreements, and release agreements signed by Class Members and the number of purported agreements signed.

7. On June 19, 2024, the Parties participated in a full-day mediation before Katherine Edwards, Esquire, a well-regarded mediator experienced in mediating complex labor and employment matters, however the Parties were unable to resolve this Action after a full day mediation. Although the Parties were unable to reach an agreement at the mediation, the Parties subsequently continued discussions through the mediator and eventually reached the Settlement to resolve the Action on the terms set forth in this Agreement. A true and correct copy of the Settlement Agreement is attached hereto as Exhibit “1.”

The Proposed Settlement

8. Subject to Court approval pursuant to Code of Civil Procedure section 382 and California Rules of Court, rule 3.679, *et seq.*, the Parties have agreed to settle the Action by agreement upon the terms and conditions and for the consideration set forth in the Settlement Agreement, a copy of which is attached to the hereto as Exhibit “1.” A summary of the terms of the settlement are as follows:

/ / /

Defendants will stipulate, for purposes of this settlement only, as follows:

- Certification of a class (“Settlement Class,” “Settlement Class Members” or “Class Members”) defined as: all current and former non-exempt, hourly-paid employees who performed work for Defendant Sunset Signs in California at any time between February 16, 2020 through June 16, 2024 (“Class Period”), excluding family members of Defendant Tracy Eschenbrenner.
- Defendants will pay \$225,000.00 (“Gross Settlement Amount”) to resolve the matter.
- Defendants represent that the Settlement Class worked approximately 8,279 Qualifying Workweeks during the Class Period. In the event that it is determined that the number of Qualifying Workweeks worked by Class Members during the Class Period increases by more than 5%, or more than 414 Qualifying Workweeks, then the Gross Settlement Amount shall be increased in proportion to the increase in Qualifying Workweeks. Thus, if the number of Qualifying Workweeks worked by Class Members from February 16, 2020 to June 16, 2024 is 7% greater than 8,693, then Defendants will increase the Gross Settlement Amount by 2%, or $\$225,000 \times .02$, for an increased Gross Settlement Amount of \$229,500 ($\$225,000 + \$4,500$).
- Defendants will pay the employer’s share of payroll taxes separate and apart from the Gross Settlement Amount.
- This is a non-reversionary settlement.
- Class Members will be paid their *pro rata* share of the class action settlement based on the total number of Qualifying Workweeks¹ worked during the Class Period.
- The Settlement Administration costs, estimated not to exceed \$12,000.00 will be paid out of the Gross Settlement Amount.

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¹ “Qualifying Workweek” means a workweek worked by a Settlement Class Member during which he or she was employed by, and worked on one or more days for, Sunset Signs in a non-exempt, hourly position during the Class Period.

- 1 • Class Counsel, comprised of Joshua Shirian of Shirian Law, P.C., hereby apply for,
2 and Defendants will not oppose, attorneys' fees of up to thirty-two percent (32%) of
3 the Gross Settlement Amount, which, unless escalated pursuant to the Settlement
4 Agreement, amounts to \$72,000.00, and actual costs, not to exceed \$25,000.00, all of
5 which will be paid out of the Gross Settlement Amount.
- 6 • Class Counsel hereby apply for, and Defendants will not oppose, a service award of
7 \$7,500.00 for the Class Representative, which will be paid out of the Gross Settlement
8 Amount.
- 9 • "Aggrieved Employees" means all non-exempt, hourly-paid employees who
10 performed work for Sunset Signs in California at any time between February 2, 2023
11 through the through June 16, 2024 ("PAGA Period"), excluding family members of
12 Defendant Tracy Eschenbrenner. The Parties have agreed to allocate \$15,000.00 of
13 the Gross Settlement Amount as PAGA penalties, seventy-five percent (75%) or
14 \$11,250.00 of which will be paid to the LWDA, and twenty-five percent (25%) or
15 \$3,750.00 of which will be distributed to the Aggrieved Employees.
- 16 • Aggrieved Employees will be paid their *pro rata* share of the twenty-five percent
17 (25%) of the PAGA Penalties based on the total number of Qualifying Pay Periods²
18 worked during the PAGA Period.
- 19 • Participating Class Members will receive an Individual Settlement Payment and
20 Aggrieved Employees will receive an Individual PAGA Payment as applicable.
21 Individual Settlement Payment and Individual PAGA Payment checks shall remain
22 valid and negotiable for one hundred and eighty (180) calendar days after the date of
23 their issuance. In the event that any checks mailed to Participating Class Members
24 and/or Aggrieved Employees are not cashed, deposited, or otherwise negotiated within
25 the 180-day period, then the checks shall be sent to the California State Controller's
26 Office Unclaimed Property Fund in the name of the individual, and such Class

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28 ² "Qualifying Pay Period" means a pay period worked by an Aggrieved Employee during which he or she was employed
by, and worked on one or more days for, Sunset Signs in a non-exempt, hourly position during the PAGA Period.

Members and/or Aggrieved Employees shall nevertheless be bound to the Settlement and the Final Approval Order. Thus, there shall be no “Unpaid Residue” subject to the requirements of California Code of Civil Procedure section 384.

Settlement Agreement and Accompanying Documents

9. Attached hereto as “Exhibit 1” is a true and correct copy of the Settlement Agreement fully executed by the Parties.

10. Attached to the Settlement Agreement as “Exhibit A” thereto is the proposed Notice of Proposed Class Action Settlement and Date for Final Approval Hearing (“Class Notice”) to be distributed to Class Members in English and Spanish.

11. The parties have agreed to use ILYM Group, Inc. (“ILYM” or “Settlement Administrator”), an experienced Settlement Administrator, to administer the settlement.

12. The Parties have agreed that the administration costs will be paid out of the Gross Settlement Amount.

13. My office intends of submitting a copy of the Settlement Agreement to the LWDA at the same time that it is submitted to this Court in compliance with Labor Code section 2699.

The Settlement was Negotiated at Arms-Length and Not Collusive

14. The Settlement that has been reached, subject to this Court’s approval, is a product of substantial efforts by the Parties and their counsel. The Settlement was reached after extensive factual and legal investigation and research; substantial negotiation regarding the scope of informal discovery; an exchange of documents and information that included review of 100% of the time and payroll records in the Class Period and analysis thereof with the aid of Plaintiff and expert consultants; an investigation and analysis of purported release agreements and arbitration agreements signed by Class Members; an analysis of shifts and Qualifying Workweeks worked by Class Members in the Class Period, analysis of the number of pay periods and number of Aggrieved Employees in the PAGA Period for calculating PAGA penalties, number of Class Members potentially eligible for wage statement penalties and waiting time penalties; an analysis of Plaintiff’s employment records; extensive correspondence and communication between counsel; a review of pleadings, evidence and rulings in similar actions litigated elsewhere in the

1 state; a review of similar cases in the same industry elsewhere in the country; and preparation for
2 and attendance at a full-day session of mediation, followed by further discussions and coordination
3 to finalize the terms and conditions of the general settlement parameters agreed to by the Parties.

4 15. While Class Counsel believe in the chance of success of certifying the claims, Class
5 Counsel recognized the potential risk, expense and complexity posed by further litigation.
6 Moreover, litigating Plaintiff's claims in this Litigation—claims that involve approximately 114
7 Class Members during the Class Period—would require substantial preparation and discovery,
8 and ultimately would involve the deposition and presentation of numerous more witnesses
9 (including Class Members and expert witnesses), as well as the consideration, preparation and
10 analysis of expert reports. Therefore, should litigation have progressed any further, there would
11 have been significant expense incurred by each side (above and beyond the expense already
12 incurred).

13 **The Settlement Amount is Well Within the Range of Reasonableness**

14 16. The settlement amount reached in this case provides significant recovery to Class
15 Members and Aggrieved Employees, and easily falls within the range of reasonableness. Based
16 on documents and information provided by Defendants, Class Counsel understand there were
17 approximately 8,279 Qualifying Workweeks during the Class Period.

18 **Failure to Pay Wages for All Hours Suffered or Permitted to Work**

19 17. Class Counsel theorized, based on Plaintiff's narrative evidence and documents
20 produced by Defendants, that Defendants failed to pay all wages due to Class Members because
21 Defendants required Class Members to work off-the-clock or Class Members spent time off-the-
22 clock under Defendants' control, including, without limitation, waiting in line to clock in and
23 driving to job sites, all without pay. Class Counsel contend, based on Plaintiff's narrative evidence
24 and documents produced by Defendants, that Class Members worked off-the-clock for a
25 conservative estimate of one (1) hour each workweek throughout the Class period because: (1)
26 Class Members were forced to wait in line to clock in for their shifts due to an insufficient number
27 of timeclocks at Defendants' facility and (2) Class Members in the field were required to drive to
28 job sites, all without pay.

1 18. Class Counsel understand, based on time and payroll records produced by
2 Defendants that there were approximately 8,279 workweeks and 35,313 shifts during the Class
3 Period, approximately 72.1% of all shifts were exactly or more than eight (8) hours in length, and
4 Class Members had an average hourly rate of \$20.92. Thus, one calculation performed by Class
5 Counsel resulted in Defendants' exposure for alleged unpaid off-the-clock work in the
6 approximate amount of \$283,956 ((1 hr/workweek x \$20.92/hr x 1.5 overtime rate x 8,279
7 workweeks x .721 shifts greater than or equal to eight hours) + (1 hr/ workweek x \$20.92/hr hourly
8 rate x 2 liquidated damages x 8,279 workweeks x .279 shifts under eight hours)).

9 19. Class Counsel understand from the mediator and the mediation process that
10 Defendants make the following defenses in connection with this claim: Defendants argued that it
11 did not require Class Members to work off-the-clock and, rather, they were paid for all time
12 suffered or permitted to work; Defendants contend that its policies prohibit off-the-clock work;
13 Defendants also contend that any theory that off-the-clock work was performed is purely
14 speculative, such off-the-clock work was voluntary if it occurred, unapproved, and certainly not
15 indicative of a pattern or practice. Moreover, Defendants assert that they provided a sufficient
16 number of timeclocks at its facility, and Class Members would not have been required to wait in
17 line for clocking in before their shifts. Additionally, Defendants contend that any allegations that
18 Class Members were required to wait in line or otherwise be under Defendants' control off-the-
19 clock would necessitate an individualized inquiry into when and why, making this claim not
20 subject to class treatment and any trial in this litigation unmanageable. Defendants further argued
21 that any estimate of time worked off-the-clock for every single shift during the Class Period is a
22 vast exaggeration. Finally, Defendants contend that a vast majority of Class Members signed
23 enforceable arbitration agreements and release agreements, and thus no class action is even tenable
24 in this Action. Class Counsel understand from the mediation process that Defendants attributed
25 no settlement value to this claim.

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Recovery of Damages for Non-Compliant Meal Periods

20. Class Counsel theorized, based on narrative evidence of Plaintiff and documents produced by Defendants, that Defendants' meal period practices throughout the Class Period were non-compliant because Class Counsel allege: (1) Class Members were not informed that they were entitled to a meal period premium in the event a meal period is interrupted, not duty-free, cut short or not received at all; (2) Class Members were not informed when they were entitled to a meal period; and (3) Defendants' meal period policies were non-complaint because they did not make clear that Class Members are entitled to meal period premiums for late, interrupted, or missed meal periods, did not indicate meal periods are duty free, and did not state that Class Members could leave the premises; and (4) were cut short due to the need for Class Members to wait in line to clock back in from their meal periods.

21. Class Counsel understand from the documents provided by Defendants and analysis of expert data consultants retained by Class Counsel, that there were 22,907 shifts (64.8%) with alleged meal period violations during the Class Period (late, short, missed meal periods, no meal period premiums were ever issued throughout the Class Period, and others). Thus, one calculation made by Class Counsel resulted in Defendants' maximum exposure for non-compliant meal periods in an approximate amount of \$479,214 (22,907 eligible shifts x \$20.92/hour).

22. Class Counsel understand that Defendants make the following defenses in connection with this claim: Defendants argue that they had compliant meal period policies and practices; Defendants argue that Class Members took timely and full meal periods; Defendants contend that there were a proper amount of timeclocks provided for Class Members; Defendants contend that their policy requires their employees to take timely and full meal periods; Defendants further contend that any instance of a Class Member failing to take a compliant meal period was voluntary, in violation of its meal period policy, would necessitate an individualized inquiry and would not lend itself to a manageable trial. Moreover, Defendants argued that many Class Members signed valid meal period waivers, thereby doing away with the vast majority of any alleged non-compliant meal periods. Finally, Defendants contend that a vast majority of Class Members signed enforceable arbitration agreements and release agreements, and thus no class

1 action is even tenable in this Action. Thus, Defendants contend that *no* monies are owed for this
2 account but, even if any amounts were due, the amount calculated by Class Counsel is excessive.

3 **Recovery of Damages for Non-Compliant Rest Periods**

4 23. Class Counsel theorized, based on Plaintiff's narrative evidence, that Defendants'
5 rest break practices throughout the Class Period were non-compliant because Class Members were
6 not permitted to take rest periods within the fifth hour. Class Counsel understand from Plaintiff's
7 narrative evidence that their shifts were very busy. Notably, there was no rest period premiums
8 ever issued throughout the Class Period.

9 24. An analysis of the time records, payroll records, and data provided by Defendants
10 reflect approximately 35,062 rest period eligible shifts were greater than 3.5 hours in length. Thus,
11 one calculation performed by Class Counsel resulted in, assuming a very conservative 33%
12 violation rate for rest-eligible shifts, Defendants' exposure for failure to provide compliant rest
13 periods in an approximate amount of \$242,054 (35,062 shifts x .33 violation rate x \$20.92/hour).

14 25. Class Counsel understand from the mediator and the mediation process that
15 Defendants make the following defenses in connection with this claim: Defendants argue that it
16 had compliant rest period policies and practices; Defendants argue that Class Members took timely
17 and full rest periods; Defendants contend that their policy requires their employees to take timely
18 and full rest periods; Defendants further contend that any instance of a Class Member failing to
19 take a compliant rest period was voluntary, in violation of their rest period policy, would
20 necessitate an individualized inquiry and would not lend itself to a manageable trial. Moreover,
21 Defendants argued that Class Members were provided a reasonable opportunity to take
22 uninterrupted rest breaks. Finally, Defendants contend that a vast majority of Class Members
23 signed enforceable arbitration agreements and release agreements, and thus no class action is even
24 tenable in this Action. Thus, Defendants contend that *no* monies are owed for this account but,
25 even if any amounts were due, the amount calculated by Class Counsel is excessive.

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Wage Statement Violations

26. Class Counsel theorized that Class Members are entitled to recover penalties for Defendants' alleged failure to issue compliant wage statements under Labor Code section 226, subdivision (e), for the derivative impact of the failure to pay all wages owed on providing accurate information on wage statements. Specifically, Class Counsel theorized that penalties are owed under Labor Code section 226 due to, at minimum, Defendants' failure to pay premium wages for alleged overtime and non-compliant meal and rest breaks.

27. A non-exempt employee suffering injury as a result of a knowing and intentional failure by an employer to comply with Labor Code section 226, subdivision (a), is entitled to recover the greater of all actual damages or fifty dollars (\$50) for the initial pay period in which a violation occurs and one hundred dollars (\$100) per employee for each violation in a subsequent pay period. Class Counsel understand from the data provided by Defendants that there were 2,712 pay periods during the relevant statutory time period for Class Members. If, in fact, Class Members worked every off-the-clock every shift as set forth above, and no rest premiums were paid, every wage statement would thus, Class Counsel theorized, violate Labor Code section 226. Thus, Defendants' maximum exposure for wage statement violations would be \$271,200 (2,712 pay periods x \$100/pay period).

28. Class Counsel understand from the mediator and the mediation process that Defendants make the following defenses in connection with this claim: Defendants contends that the wage statements issued to the employees fully complied with Labor Code section 226; Defendants contend that because they believe no wages are unpaid that, thus, there can be no derivative penalties. Further, Class Counsel also understand the risks inherent in this claim if the above claims were not certified. Class Counsel also had to factor in, and did factor in, the risk that a Court would find there was no injury to Class Members even if the wage statements were inaccurate or that Defendants' conduct was not intentional, both of which are requirements of Labor Code section 226 before penalties can issue. Class Counsel also note that the calculation used does not take into account the first pay period violation only being \$50 and the fact that all Class Members did not work all pay periods and, therefore, do not qualify for the maximum

1 penalty of \$4,000 as calculated in Plaintiff's exposure model used at mediation. Finally,
2 Defendants contend that a vast majority of Class Members signed release agreements, in which
3 they verified that they had been paid all wages and provided all of their required meal and rest
4 breaks, and thus no class action is even tenable in this Action.

5 **Waiting Time Penalties**

6 29. Pursuant to Labor Code sections 201, 202 and 203, each employee in the relevant
7 statutory period (*i.e.*, three years before the filing of the initial Complaint) is entitled to up to 30
8 days' worth of wages as waiting time penalty for not being paid all wages due upon separation
9 from employment. Class Counsel theorized, based on relevant documents provided by
10 Defendants, that, under Labor Code section 203, Defendants are liable to pay each Class Member,
11 who was terminated or who left his or her employment during the relevant statutory period, a full
12 30-day worth of wages as waiting time penalty for failure to pay compensation in lieu of compliant
13 meal and rest periods, and failure to timely pay all wages due at the time of termination or
14 resignation.

15 30. Based on relevant documents provided by Defendants, there were approximately
16 62 Class Members who were terminated or resigned during the relevant statutory period. Thus,
17 one calculation performed by Class Counsel resulted in Defendants' maximum exposure for
18 waiting time penalties to be \$311,290 (62 separated Class Members x \$20.92/hour x 8 hours x 30
19 days).

20 31. Class Counsel understand that Defendants contend that there is no credence to
21 Plaintiff's off-the-clock theory and that, thus, no waiting time penalties are owed based on that
22 theory. Also, Defendants contend that a vast majority of Class Members signed release
23 agreements, in which they verified that they had been paid all wages and provided all of their
24 required meal and rest breaks, and thus no class action is even tenable in this Action. Finally,
25 Defendants contend that their actions were not "willful" and that, thus, waiting time penalties
26 cannot be awarded. Thus, Defendants argued that no waiting time penalties are owed.

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Failure to Reimburse for Business Expenses

32. Class Counsel theorized, based on relevant documents provided by Defendants and narrative evidence of Plaintiff, that Defendants failed to indemnify Class Members for necessary business expenses. Based on narrative testimony from Plaintiff, Class Counsel allege that Defendants required their employees to purchase personal protective equipment (“PPE”) such as steel-toe boots and hardhats for business related purposes, but were not reimbursed by Defendants.

33. Class Counsel conservatively estimated that Plaintiff and Class Members spend \$60 for PPE. Thus, one calculation performed by Class Counsel resulted in Defendants’ exposure for the costs of PPE \$24,420 (\$60 x 114 Class Members).

34. Class Counsel understand that Defendants argues that it reimbursed employees for all expenses incurred in furtherance of work including, without limitation, PPE, and Defendants had no obligation to reimburse for such use, and even if they did, it would be a de minimis expense for which no reimbursement is owed. Moreover, Defendants contend that in practice, Class Members were provided with adequate PPE but chose to purchase their own. Thus, these claims would necessitate an individualized inquiry into each, thereby precluding certification and making any trial thereon unmanageable. Thus, Defendants contend that it owes no monies to Class Members under this theory either.

Failure to Timely Pay Wages

35. Class Counsel, based on Plaintiff’s narrative evidence, theorized Defendants failed to pay wages to Class Members for work performed in a timely manner in violation of Labor Code section 204. However, after investigation and discovery, Class Counsel did not attribute significant value to this claim at the time of mediation.

PAGA Penalties

36. Class Counsel understand from the time and payroll data provided by Defendants that there were 2,780 pay periods worked by approximately 62 Aggrieved Employees during the PAGA Period. Plaintiff’s claims in the Action under PAGA asserted each of the foregoing alleged Labor Code violations, as well as other additional Labor Code violations as set forth in Plaintiff’s PAGA Notice and the First Amended Complaint. Defendants contend that only initial violation

1 rates may be used instead of the subsequent violation rates initially used by Class Counsel. With
2 this in mind, and because Class Counsel through investigation and discovery did not come to the
3 conclusion that Defendants at any time were notified by any governmental entity that they violated
4 any Labor Code sections presented in the PAGA Notice and PAGA claims, Class Counsel adjusted
5 the exposure model for Defendants to include only initial violation rates.

6 37. While Class Counsel are informed and believe that reasonable minds differ with
7 regard to calculation of PAGA penalties, Class Counsel believe it is reasonable to calculate
8 Defendants' maximum exposure in PAGA penalties as follows:

9 a. Overtime Violations: Labor Code section 558 prescribes penalties of \$50 for an
10 initial violation and \$100 for each subsequent violation. Using the initial pay period rate for all
11 violations, and a violation every single pay period for every single non-exempt employee in the
12 PAGA Period, this amounts to a maximum exposure of \$139,000 (2,780 pay periods x \$50).

13 b. Minimum Wage Violations: Labor Code section 1197.1 prescribes penalties of
14 \$100 for an initial violation and \$250 for each subsequent violation. Using the initial pay period
15 rate for all violations and a violation every single pay period for every single PAGA Member in
16 the PAGA Period, this amounts to a maximum exposure of \$278,000 (2,780 pay periods x \$100).

17 c. Meal Period Violations: Labor Code section 558 prescribes penalties of \$50 for an
18 initial violation and \$100 for each subsequent violation. Using the initial pay period rate for all
19 violations and a violation every single pay period for every single non-exempt employee in the
20 Settlement Period, this amounts to a maximum exposure of \$139,000 (2,780 pay periods x \$50).

21 d. Rest Period Violations: Labor Code section 558 prescribes penalties of \$50 for an
22 initial violation and \$100 for each subsequent violation. Using the initial pay period rate for all
23 violations and a violation every single pay period for every single non-exempt employee in the
24 Settlement Period, this amounts to a maximum exposure of \$139,000 (2,780 pay periods x \$50).

25 e. Waiting Time Penalties: Labor Code section 2699 prescribes penalties of \$100 for
26 an initial violation and \$200 for each subsequent violation. Because this violation is merited only
27 at separation of employment, a 100% violation rate would likely include just one violation per
28 employee. The data produced by Defendants indicate that there were 22 Aggrieved Employees

1 whose employment was separated during the PAGA Period. This amounts to a maximum exposure
2 of \$2,200 (22 separated Aggrieved Employees x \$100).

3 f. Wage Statement Violations: According to *Gunther v. Alaska Airlines, Inc.* (2021)
4 287 Cal.Rptr.3d 229, in this instance, Labor Code section 2699 would be the appropriate penalty
5 for wage statement violations that are inaccurate, which prescribes penalties of \$100 for an initial
6 violation and \$200 for each subsequent violation (*Id.* at 247-248). Using the initial pay period rate
7 for all violations and a violation every single pay period for every single Aggrieved Employee in
8 the PAGA Period, this amounts to a maximum exposure of \$271,300 (2,713 pay periods x \$100).

9 g. Failure to Reimburse Work Expenses: Labor Code section 2699 would be the
10 appropriate penalty for failure to reimburse work expenses, which prescribes penalties of \$100 for
11 an initial violation and \$200 for each subsequent violation (*Id.* at 247-248). Using the initial pay
12 period rate for all violations and a violation every single pay period for every single Aggrieved
13 Employee in the PAGA Period, this amounts to a maximum exposure of \$278,000 (2,780 pay
14 periods x \$100).

15 h. Failure to Pay Vacation Pay Upon Separation of Employment: Labor Code section
16 2699 prescribes penalties of \$100 for an initial violation and \$200 for each subsequent violation.
17 However, after investigation and discovery, Class Counsel did not attribute significant value to
18 this claim at the time of mediation.

19 i. Violation of Labor Code § 204: Labor Code section 204 states that labor performed
20 between the first (1st) and fifteenth (15th) days, inclusive, of any calendar month shall be paid for
21 between the sixteenth (16th) and twenty-sixth (26th) day of the month during which the labor was
22 performed, and labor performed between the sixteenth (16th) and the last day, inclusive, of any
23 calendar month shall be paid for between the first (1st) and tenth (10th) day of the following month.
24 Labor Code section 210 would be the appropriate penalty for violation of Labor Code section 204.
25 However, after investigation and discovery, Class Counsel did not attribute significant value to
26 this claim at the time of mediation.

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1 j. Violation of Labor Code § 246: Labor Code section 246 states that Defendants
2 must provide paid sick leave for employees who have worked more than 30 days within one year
3 of employment. Labor Code section 2699 prescribes penalties of \$100 for an initial violation and
4 \$200 for each subsequent violation. This amounts to a maximum exposure, using the initial
5 violation rate, of \$278,000 (2,780 pay periods x \$100).

6 k. Violation of Labor Code § 404: Labor Code section 404 states that Defendants shall
7 reimburse Aggrieved Employees, plus interest, for the deposits made for uniforms immediately
8 upon the return of such property. Labor Code section 2699 would be the appropriate penalty for
9 failure to return uniform deposits. However, after investigation and discovery, Class Counsel did
10 not attribute significant value to this claim at the time of mediation.

11 l. Violation of Labor Code § 2810.5: Upon hire, employers must provide each
12 Aggrieved Employee a notice under Labor Code section 2810.5 with the information set out under
13 that Labor Code section. Labor Code section 2699 prescribes penalties of \$100 for an initial
14 violation and \$200 for each subsequent violation. However, after investigation and discovery,
15 Class Counsel did not attribute significant value to this claim at the time of mediation.

16 m. Suitable Seating Violations: Labor Code section 2699 prescribes penalties of \$100
17 for an initial violation and \$200 for each subsequent violation for the failure to provide suitable
18 seating to employees when the nature of work reasonably permits the use of seats. However, after
19 investigation and discovery, Class Counsel did not attribute significant value to this claim at the
20 time of mediation.

21 n. Unfair Competition and Restraints on Lawful Conduct: Labor Code section 2699
22 would be the appropriate penalty for violations of Labor Code sections 96, 98.6, 232, 232.5, and
23 1197.5 subdivision (k), which prescribes penalties of \$100 for an initial violation and \$200 for
24 each subsequent violation for requiring employees to sign unlawful agreements, conducting
25 unlawful pre-employment inquiries and background checks, and unlawful reliance on salary
26 history when making hiring and compensation offers. Using the initial pay period rate for all
27 violations and a violation every single pay period for every single Aggrieved Employee in the
28 PAGA Period, this amounts to a maximum exposure of \$278,000 (2,780 pay periods x \$100).

q. Conclusion: In sum, Class Counsel calculated Defendants' total maximum exposure for PAGA violations if the Court were to find a 100% violation rate for every Aggrieved Employee every pay period and not exercise its discretion to reduce any of those penalties to be **\$1,802,500**. Class Counsel understand that Defendants argue the following in connection with this claim: Defendants contend that no PAGA penalties are likely to be awarded and, even if they were, the maximum exposure calculated by Class Counsel is vastly overstated; Defendants argue that PAGA penalties cannot and should not be stacked; Defendants assert that individualized issues predominate the PAGA claims, making the claims unmanageable for trial; Defendants deny that a violation for each pay period can be established; Defendants contend that a Court is unlikely to exercise its discretion to award civil penalties under PAGA where, as here, there is no conduct shown by Plaintiff that would show any Labor Code violation by Defendants are knowing and intentional. Defendants insist that this is especially true in this Action where class action damages are available to Class Members, rendering an award of PAGA penalties in addition to class action damages to be double recovery.

Conclusion

38. While Plaintiff believes in the likelihood of certifying the claim and proceeding with a successful trial, Class Counsel applied a sixty-five percent discount at mediation in connection with Plaintiff's class allegations in light of Defendants' defenses, particularly considering the enforceability of the purported arbitration agreements and release agreements which were purportedly signed by a vast majority Class Members. Thus, Class Counsel determined one calculation of Defendants' reasonable exposure for the class allegations to be \$564,247 ($\$1,612,134 \times 0.35$).

39. Furthermore, Class Counsel maintain that it is possible to recover the subsequent violation rate for penalties, that stacking is permissible, and that there is no manageability requirement under PAGA (citing *Estrada v. Royalty Carpet Mills, Inc.*), Class Counsel also understand the risks inherent should the Court not exercise its discretion to grant any PAGA penalties, in addition to potential issues on the merits, trial manageability, and issues the possibility that the Court does not use permit stacking of penalties or permit the use of the

1 subsequent violation rate when providing penalties. As such, Class Counsel believe a 90%
2 discount of the PAGA claims to be reasonable, resulting in a valuation of \$180,250 as a reasonable
3 estimate of the likelihood of what Plaintiff may recover at trial for PAGA penalties (\$1,802,500
4 x .10).

5 40. When including derivative penalties, such as waiting time penalties, wage
6 statement violations, and discretionary PAGA penalties, Class Counsel theorized Defendants'
7 reasonable exposure to be approximately \$744,497.

8 41. In all, Class Counsel obtained a Gross Settlement Amount of \$225,000.00.
9 Particularly in light of the risks involving obstacles to class certification, all issues and risks
10 related to liability, the issues with manageability at trial, the discretionary nature of PAGA
11 penalties, the agreements signed by Class Members, and considering the case law regarding fair,
12 reasonable and adequate settlements, Class Counsel strongly believe that the settlement reached
13 is fair, reasonable and adequate, and in the best interest of Class Members.

14 42. Moreover, \$15,000 of the Gross Settlement Amount was attributed to PAGA
15 penalties. This allocation was decided mutually by the Parties and the mutual decision was based
16 on: (1) the fact that damages are available for the failure to pay wage claims while only penalties
17 are available for the PAGA claims; (2) the risk that the Court may exercise its discretion to decline
18 to stack PAGA penalties; (3) the risk that the Court may exercise its discretion to not award the
19 full amount of PAGA penalties available; and (4) the risk that the Court may decline to award any
20 PAGA penalties at all in light of the fact that damages are available for Class Members and it may
21 find any further liability against Defendants unnecessarily punitive.

22 **The Proposed Attorneys' Fees and Costs are Reasonable**

23 43. Class Counsel seek an attorneys' fees award of *up to* thirty-two percent (32%) of
24 the Gross Settlement Amount, which, unless escalated pursuant to this Agreement, would amount
25 to \$72,000.00. Class Counsel also seek reimbursement of costs not to exceed \$25,000.00. The
26 requested fees fall well within the historical range of attorney's fees awards under the common
27 fund theory, which is generally from 25% to 50%. The requested fee is fair compensation for
28 undertaking complex, risky, expensive and time-consuming litigation on a contingent fee basis.

1 Thus, the Court should preliminarily approve the requested attorneys' fees and costs, which are
2 justified by the results achieved, the complexity of the issues, the difficulty of the case and the
3 great risks undertaken by Class Counsel. The requested attorneys' fees will not be opposed by
4 Defendants and are well within established guidelines.

5 **The Requested Enhancement Award to the Named Plaintiff and Class Representative is**
6 **Reasonable**

7 44. Plaintiff is entitled to an enhanced award for his service as class representative, for
8 answering extensive questions by Class Counsel, for being available and answering questions
9 during mediation, for the risks in being the named plaintiff and for providing Defendants with a
10 more expansive release of claims, including a waiver based upon California Civil Code section
11 1542, in exchange for the enhancement award. Defendants do not oppose the requested
12 enhancement to Plaintiff. Plaintiff risked intrusive discovery and the payment of employer costs.
13 In the experience of Class Counsel, the typical enhancement award in wage and hour class actions
14 ranges from approximately \$10,000.00 to \$25,000.00, although some awards are higher. In
15 contrast, Class Counsel seek an extremely limited enhancement of \$7,500.00 to Plaintiff, for his
16 service, which will be paid out of the Gross Settlement Amount.

17 **Conditional Certification for Settlement Purposes**

18 **Ascertainability**

19 45. Here, the Class Members definition (*i.e.*, all non-exempt, hourly-paid employees
20 who performed work for Sunset Signs and Printing, Inc., in California at any time during the Class
21 Period) is derived from the First Amended Complaint, which complains of alleged violations of
22 Labor Code sections that are chiefly and, in some instances, solely applicable to non-exempt
23 employees of Defendant Sunset Signs. There is no difficulty ascertaining who is a Class Member
24 based on the above-described definition as it is readily apparent to all involved who is a non-
25 exempt employee who worked in California for Defendant Sunset Signs during the Class Period,
26 based solely from Defendants' payroll records, which amounts to approximately 114 persons.

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Numerosity

46. Class Counsel understand from documents provided that Defendants have identified at least 114 Class Members.

Commonality

47. This Litigation is brought to resolve common issues that include whether Defendants failed to pay for all hours worked; whether Defendants provided full, timely and uninterrupted meal and rest periods, whether Class Members are entitled to premium pay for incomplete, untimely or interrupted meal or rest periods, among other claims as set forth above.

Typicality

48. Plaintiff’s claims are typical of those of other Class Members as Plaintiff: (1) is a non-exempt employee like other Class Members; (2) complains of not being paid for all time under Defendants’ control or suffered and/or permitted to work for Defendants; (3) did not receive full premium pay for meal periods that were not compliant with the Labor Code; (4) did not receive premium pay for rest periods that were not provided, among others as set forth above.

Adequacy of Plaintiff

49. Class Counsel believe no conflicts, disabling or otherwise, exists between Plaintiff and Class Members because Plaintiff alleges to have been damaged by the same alleged conduct of Defendants (i.e., Plaintiff classified as non-exempt employees, were not paid premium pay, etc.) and thus has the incentive to fairly represent all Class Members’ claims to achieve the maximum possible recovery.

Adequacy of Joshua Shirian

50. As set forth below, Class Counsel in this matter consists of an experienced class action attorney, has been appointed as class counsel in other class actions, and has a successful “track record” in litigating class actions.

Superiority of Class

51. Class Counsel believe this wage and hour class action is a superior vehicle for resolution of the issues it seeks to resolve. It deals with common issues that are most efficiently adjudicated together, as indicated above. Moreover, with at least 114 Class Members,

1 presentation of all of them before this Court may be problematic, impractical, and burdensome.
2 On the contrary, a class action allows claims of many individuals to be resolved at the same time,
3 eliminates the possibility of repetitious litigation and affords small claimants with a method of
4 obtaining redress for claims which otherwise would be too insufficient to warrant individual
5 litigation.

6 **Class Counsel are Experienced Class Action Litigators**

7 52. Class Counsel is an experienced class action attorney, has been appointed as class
8 counsel in other class actions, and has a successful track record in litigating class actions.

9 53. I graduated with a Bachelor of Arts degree from the University of California, Los
10 Angeles in 2018.

11 54. I received my Juris Doctorate from the University of Southern California Gould
12 School of Law in 2021.

13 55. In December of 2021, I was admitted to the California Bar and began practicing
14 law in the State of California.

15 56. For several years I was an attorney at Bibiyan Law Group, P.C., an experienced
16 employment law firm located in Los Angeles, California, with a focus on wage and hour class
17 actions. Therein, I practiced a range of employment civil litigation exclusively on behalf of
18 plaintiffs, and with a major focus on wage and hour class actions. Among other tasks, I oversaw
19 and managed a caseload of wage and hour class actions, led numerous mediations, drafted and
20 filed motions (i.e. Motion for Class Certification, Motion to Remand, etc.), attended court hearings
21 on a range of topics, and engaged in the discovery process.

22 57. In January of 2024, I established a law firm focused on representing employees in
23 claims against employers, specializing in recovering unpaid wages and addressing issues of
24 harassment, discrimination, and retaliation in various contexts.

25 58. I am an active member of the California Employment Lawyers' Association
26 ("CELA"). I have also attended various Continuing Legal Education courses pertaining to
27 advocacy on behalf of employees.

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1 59. My firm has the experience, resources, and means necessary to allow us to provide
2 adequate representation as Class Counsel to all class members in this litigation.

3 60. I have served as Class Counsel for numerous class actions filed with the Superior
4 Court of California and been appointed Class Counsel by the Superior Court of California in the
5 past for purposes of certifying a class. Some examples of Actions in which I have served as Class
6 Counsel or was appointed by the court as Class Counsel include, without limitation:

- 7 • *Ramirez v. Primex Farms LLC, et al.*, Case No. 20STCV06328, California Superior
8 Court, County of Los Angeles, Honorable Judge Elaine Lu, presiding;
- 9 • *Williams v. Marrs Services, Inc., et al.*, Case No. 21STCV23775, California Superior
10 Court, County of Los Angeles, Honorable Judge Stuart M. Rice, presiding;
- 11 • *Juarez v. Calmet Services, Inc., et al.*, Case No. 21STCV33668, California Superior
12 Court, County of Los Angeles, Honorable Judge Kenneth R. Freeman, presiding;
- 13 • *Moya v. Valassis Direct Mail, Inc., et al.*, Case No. 21STCV09412, California Superior
14 Court, County of Los Angeles, Honorable Judge Stuart M. Rice, presiding;
- 15 • *Ramirez v. EJ Lauren, LLC, et al.*, Case No. 21STCV31433, California Superior Court,
16 County of Los Angeles, Honorable Judge Kenneth R. Freeman, presiding;
- 17 • *Bailey v. Cannon Constructors, Inc., et al.*, Case No. 21STCV29935, California
18 Superior Court, County of Los Angeles, Honorable Judge Carolyn B. Kuhl, presiding;
- 19 • *Getaw v. Consolidated Disposal Service, LLC, et al.*, Case No. 21STCV22036,
20 California Superior Court, County of Los Angeles, Honorable Judge Elihu Berle,
21 presiding;
- 22 • *Federics v. The HWood Group, LLC, et al.*, Case No. 21STCV44105, California
23 Superior Court, County of Los Angeles, Honorable Judge Carolyn B. Kuhl, presiding;
- 24 • *Schafer v. Netflix Animation, LLC, et al.*, Case No. 22STCV18785, California Superior
25 Court, County of Los Angeles, Honorable Judge Elaine Li, presiding;
- 26 • *Mora v. IGT Global Solutions Corp., et al.*, Case No. 22STCV05393, California
27 Superior Court, County of Los Angeles, Honorable Judge Kenneth R. Freeman,
28 presiding;

- 1 • *Shivaie v. Elwyn, et al.*, Case No. 21CV382581, California Superior Court, County of
2 Santa Clara, Honorable Judge Sunil R. Kulkarni, presiding;
- 3 • *Camacho-Gaxiola v. Supreme Almonds of California, Inc.*, Case No. BCV-22-100558,
4 California Superior Court, County of Kern, Honorable Judge Thomas S. Clark,
5 presiding;
- 6 • *Quiroz v. Velazquez Packing, Inc., et al.*, Case No. 21CV01761, California Superior
7 Court, County of Santa Barbara, Honorable Judge James F. Rigali, presiding;
- 8 • *Prater v. On Courier 365, Inc., et al.*, Case No. 20-CIV-02814, California Superior
9 Court, County of San Mateo, Honorable Judge V. Raymond Swope, presiding;

10 I have also settled matters on a “PAGA Only” basis for aggrieved employees in the past,
11 including, without limitation, in:

- 12 • *London Young v. Amazon.com, LLC, et al.*, Case No. 21STCV38280, California
13 Superior Court, County of Los Angeles, Honorable Judge Elaine Lu, presiding;
- 14 • *Ackles v. Brinker Restaurant Corporation, et al.*, Case No. 22STCV19068, California
15 Superior Court, County of Los Angeles, Honorable Judge Gail Killefer, presiding;
- 16 • *Hardy v. Texas Roadhouse Management Corp., et al.*, Case No. CIVSB2222259,
17 California Superior Court, County of San Bernardino, Honorable Judge Jessica
18 Morgan, presiding;

19 61. Currently, my firm is acting as counsel in other wage and hour class actions and
20 representative PAGA actions.

21 62. After a thorough investigation and settlement discussions, Class Counsel arrived at
22 terms that they viewed was in the best interest of both the class members and the parties.

23 63. Should the Court refuse to grant preliminary approval of this Settlement, many of
24 the Class Members may be denied any recourse for Defendants’ alleged violations.

25 64. For these reasons, as well as the reasons provided in the declarations concurrently
26 filed, I believe that Class Counsel are sufficiently experienced and qualified to evaluate the class
27 members’ claims and viability of Defendants’ defenses.

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1 65. I believe, and as further set out in the declarations concurrently filed, the settlement
2 presented here only resulted after having engaged in extensive informal and formal discovery and
3 investigation, and is the product of hard-fought litigation and extensive arm's-length negotiations.

4 66. I believe, based on my experience as class counsel, that the Settlement is fair,
5 reasonable, adequate and in the best interests of class members.

6 67. Class Counsel have no interest in or conflict with the settlement administrator,
7 ILYM Group, Inc.

8 I declare under penalty of perjury under the laws of the state of California that the
9 foregoing is true and correct this December 13, 2024, at Los Angeles, California.

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Joshua Shirian

EXHIBIT 1

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Attorneys for Defendants,
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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF ORANGE, CENTRAL JUSTICE CENTER

JIMMY A. PALMA, an individual and on
behalf of all others similarly situated*Plaintiff,*

v.

SUNSET SIGNS AND PRINTING, INC., a
California corporation; TRACY
ESCHENBRENNER, an individual; and
DOES 1 through 100, inclusive,

Defendants.

CASE NO.: 30-2024-01379991-CU-OE-CXC

[Assigned for all purposes to the Hon.
Melissa R. McCormick in Dept. CX-104]**CLASS ACTION****JOINT STIPULATION RE: CLASS
ACTION AND REPRESENTATIVE
ACTION SETTLEMENT**

Action Filed: February 16, 2024

Trial Date: None set

This Joint Stipulation re: Class Action and Representative Action Settlement (“Settlement” or “Agreement” or “Settlement Agreement”) is made by and between plaintiff JIMMY A. PALMA (“Plaintiff”) individually and on behalf of the Settlement Class, on the one hand; and defendants SUNSET SIGNS AND PRINTING, INC. (“Sunset Signs”) and TRACY ESCHENBRENNER (“Eschenbrenner” and collectively with Sunset Signs, “Defendants”), on the other hand, in the lawsuit entitled *Palma v. Sunset Signs and Printing, Inc., et al.*, filed in Orange County Superior Court, Case No. 30-2024-01379991-CU-OE-CXC (the “Action”). Plaintiff and Defendants shall be, at times, collectively referred to as the “Parties”. This Agreement is intended by the Parties to fully, finally, and forever resolve the claims as set forth herein, based upon and subject to the terms and conditions of this Agreement.

1. DEFINITIONS

A. “Action” means *Palma v. Sunset Signs and Printing, Inc., et al.*, filed in Orange County Superior Court, Case No. 30-2024-01379991-CU-OE-CXC.

B. “Aggrieved Employees” means Class Members working for Defendants during the PAGA Period as non-exempt, hourly-paid employees in California.

C. “Class Counsel” means: Joshua Shirian of Shirian Law, P.C. The term “Class Counsel” shall be used synonymously with the term “Plaintiff’s Counsel.”

D. “Class Period” means the period from February 16, 2020 through June 16, 2024.

E. “Class Notice” means and refers to the notice sent to Class Members after preliminary approval of the Settlement in the manner described in Paragraph 9(A) of this Agreement.

F. “Court” means the Superior Court of the State of California for the County of Orange.

G. “Final Approval Date” means the later of: (1) the date the Court signs an Order granting final approval of this Settlement (“Final Approval”) and Judgment; (2) if there is an objector, 60 days from the date the Final Approval and Judgment; or (3) to the extent any appeals have been filed, the date on which they have been resolved or exhausted.

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1 **H. “Defendants”** means, collectively, Sunset Signs and Printing, Inc. and Tracy
2 Eschenbrenner.

3 **I. “Employer Taxes”** means employer-funded taxes and contributions imposed on
4 the wage portions of the Individual Settlement Payments under the Federal Insurance
5 Contributions Act, the Federal Unemployment Tax Act, and any similar state and federal taxes and
6 contributions required of employers, such as for unemployment insurance.

7 **J. “General Release”** means the broader release of claims by Plaintiff, which is in
8 addition to Plaintiff’s limited release of claims as a Participating Class Member.

9 **K. “Gross Settlement Amount”** means a non-reversionary fund in the sum of Two
10 Hundred and Twenty-Five Thousand Dollars and Zero Cents (\$225,000.00),¹ which shall be paid
11 by Defendants, from which all payments for the Individual Settlement Payments to Participating
12 Class Members, the Court-approved amounts for attorneys’ fees and reimbursement of litigation
13 costs and expenses to Class Counsel, Settlement Administration Costs, the Service Award, the
14 PAGA Payment, and the LWDA Payment shall be paid. It expressly excludes Employer Taxes,
15 which shall be paid by Defendants separate, apart, and in addition to the Gross Settlement
16 Amount.

17 **L. “Individual PAGA Payment”** means a payment made to an Aggrieved Employee
18 for his or her share of the PAGA Payment, which may be in addition to his or her Individual
19 Settlement Share if he or she is also a Participating Class Member.

20 **M. “Individual Settlement Payment”** means a payment to a Participating Class
21 Member of his or her net share of the Net Settlement Amount.

22 **N. “Individual Settlement Share”** means the gross amount of the Net Settlement
23 Amount that a Participating Class Member is projected to receive based on the number of
24 Workweeks that he or she worked as a Settlement Class Member during the Class Period, which
25 shall be reflected in his or her Class Notice.

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28 ¹ As the same may be increased in accordance with Paragraph 17, below.

1 **O. “LWDA Payment”** means the payment to the State of California Labor and
2 Workforce Development Agency (“LWDA”) for its seventy-five percent (75%) share of the total
3 amount allocated toward penalties under the PAGA all of which is to be paid from the Gross
4 Settlement Amount. The Parties have agreed that Fifteen Thousand Dollars and Zero Cents
5 (\$15,000.00) shall be allocated toward PAGA penalties, of which Eleven Thousand Two Hundred
6 Fifty Dollars and Zero Cents (\$11,250.00) will be paid to the LWDA (*i.e.*, the LWDA Payment)
7 and Three Thousand Seven Hundred Fifty Dollars and Zero Cents (\$3,750.00) will be paid to
8 Aggrieved Employees on a *pro rata* basis based on the Workweeks worked for Defendants as a
9 non-exempt, hourly-paid employee in California in the PAGA Period (*i.e.* the PAGA Payment).

10 **P. “Net Settlement Amount”** means the portion of the Gross Settlement Amount that
11 is available for distribution to the Participating Class Members after deductions for the Court-
12 approved allocations for Settlement Administration Costs, a Service Award to Plaintiff, an award
13 of attorneys’ fees, reimbursement of litigation costs and expenses to Class Counsel, the LWDA
14 Payment, and the PAGA Payment.

15 **Q. “Operative Complaint” or “Complaint”** means the First Amended Complaint
16 that was filed with the Court on April 24, 2024.

17 **R. “PAGA Payment** is the 25% portion of the Fifteen Thousand Dollars and Zero
18 Cents (\$15,000.00) that is allocated toward PAGA penalties, Three Thousand Seven Hundred
19 Fifty Dollars and Zero Cents (\$3,750.00) that will be paid to Aggrieved Employees on a *pro rata*
20 basis based on the Pay Periods worked as non-exempt, hourly-paid employees in California in the
21 PAGA Period, which would be in addition to their Individual Settlement Payment if they are
22 Participating Class Members, as well.

23 **S. “PAGA Period”** means the period from February 2, 2023 through June 16, 2024.

24 **T. “Participating Class Members”** means all Settlement Class Members who do not
25 submit a timely and valid Request for Exclusion.

26 **U. “Participating Individual Settlement Share”** means the gross amount of the Net
27 Settlement Amount that a Participating Class Member is eligible to receive based on the number
28 of Workweeks that he or she worked as a Settlement Class Member during the Class Period once

1 all opt-outs have been factored in, excluding any Individual PAGA Payment to which he or she
2 may be entitled if he or she is also an Aggrieved Employee.

3 **V. "Pay Periods"** means the number of pay periods that a Class Member was
4 employed by, and worked on one or more days, for the Defendants in a non-exempt, hourly
5 position during the PAGA Period in California.

6 **W. "Plaintiff", "Named Plaintiff" or "Class Representative"** shall refer to Plaintiff
7 Jimmy A. Palma.

8 **X. "Preliminary Approval Date"** means the date on which the Court enters an Order
9 granting preliminary approval of the Settlement.

10 **Y. "Released Parties"** shall mean Defendants and each of their past, present, and
11 future respective subsidiaries, dba's, affiliates, parents, insurers and reinsurers, and company-
12 sponsored employee benefit plans of any nature and their successors and predecessors in interest,
13 including all of their officers, directors, shareholders, employees, agents, principals, heirs,
14 representatives, accountants, auditors, consultants, attorneys, administrators, fiduciaries, trustees,
15 and agents.

16 **Z. "Response Deadline"** means the deadline for Settlement Class Members to mail
17 any Requests for Exclusion, Objections, or Workweek Disputes to the Settlement Administrator,
18 which is forty-five (45) calendar days from the date that the Class Notice is first mailed in English
19 and Spanish by the Settlement Administrator, unless a Class Member's notice is re-mailed. In
20 such an instance, the Response Deadline shall be fifteen (15) calendar days from the re-mailing, or
21 forty-five (45) calendar days from the date of the initial mailing, whichever is later, in which to
22 postmark a Request for Exclusion, Workweek Dispute or Objection. The date of the postmark
23 shall be the exclusive means for determining whether a Request for Exclusion, Objection, or
24 Workweek Dispute was submitted by the Response Deadline.

25 **AA. "Request for Exclusion"** means a written request to be excluded from the
26 Settlement Class pursuant to Paragraph 9(C) below.

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1 **BB. "Service Award"** means monetary amounts to be paid to Plaintiff of up to Seven
2 Thousand, Five Hundred Dollars and Zero Cents (\$7,500.00), which subject to Court approval,
3 will be paid out of the Gross Settlement Amount.

4 **CC. "Settlement Administration Costs"** means all costs incurred by the Settlement
5 Administrator in administration of the Settlement, including, but not limited to, translating the
6 Class Notice to Spanish, the distribution of the Class Notice to the Settlement Class in English and
7 Spanish, calculating Individual Settlement Shares, Individual Settlement Payments, Individual
8 PAGA Payments, and Participating Individual Settlement Shares, as well as associated taxes and
9 withholdings, providing declarations, generating Individual Settlement Payment checks and
10 related tax reporting forms, doing administrative work related to unclaimed checks, transmitting
11 payment to Class Counsel for the Court-approved amounts for attorneys' fees and reimbursement
12 of litigation costs and expenses, to Plaintiff for their Service Award, and to the LWDA for the
13 LWDA Payment, providing weekly reports of opt-outs, objections and related information, and
14 any other actions of the Settlement Administrator as set forth in this Agreement, all pursuant to the
15 terms of this Agreement. The Settlement Administration Costs are estimated not to exceed
16 \$12,000.00. If the actual amount of the Settlement Administration Costs is less than \$12,000.00,
17 the difference between \$12,000.00 and the actual Settlement Administration Costs shall be a part
18 of the Net Settlement Amount. If the Settlement Administration Costs exceed \$12,000.00 then
19 such excess will be paid solely from the Gross Settlement Amount and Defendants will not be
20 responsible for paying any additional funds in order to pay these additional costs.

21 **DD. "Settlement Administrator"** means the Third-Party Administrator mutually
22 agreed upon by the Parties that will be responsible for the administration of the Settlement
23 including, without limitation, translating the Class Notice in Spanish, the distribution of the
24 Individual Settlement Payments to be made by Defendants from the Gross Settlement Amount
25 and related matters under this Agreement.

26 **EE. "Settlement Class" or "Settlement Class Members"** means all current and former
27 non-exempt, hourly-paid employees who worked in California for Defendants at any time during
28 the Class Period, excluding family members of Defendant Tracy Eschenbrenner.

1 **FF.** “**Workweeks**” means the number of weeks that a Settlement Class Member was
2 employed by, and worked on one or more days for, the Defendants in a non-exempt, hourly
3 position during the Class Period in California.

4 **2. BACKGROUND**

5 **A.** On February 2, 2024, Plaintiff filed with the LWDA and served on Defendants a
6 notice under Labor Code section 2699.3 stating Plaintiff intended to serve as a proxy of the
7 LWDA to recover civil penalties on behalf of Aggrieved Employees for various Labor Code
8 violations. (“PAGA Notice”).

9 **B.** On February 16, 2024, Plaintiff filed a putative wage-and-hour class action alleging
10 that, during the Class Period, Defendants, as it pertains to Class Members: (1) failed to pay
11 overtime wages; (2) failed to pay minimum wages; (3) failed to provide meal periods or
12 compensation in lieu thereof; (4) failed to provide rest periods or compensation in lieu thereof; (5)
13 failed to all wages due upon separation from employment; (6) failed to issue accurate and
14 compliant wage statements; (7) failed to timely pay wages; (8) failed to reimburse employees for
15 business expenses; and (9) engaged in unfair competition.

16 **C.** On April 24, 2024, after sixty-five (65) days had passed since Plaintiff filed the
17 PAGA Notice, without any action by the LWDA with respect to the alleged Labor Code
18 violations, Plaintiff filed a First Amended Complaint in the Action seeking PAGA civil penalties
19 against Defendants for the Labor Code violations alleged in the PAGA Notice.

20 **D.** Shortly thereafter, the Parties agreed to exchange informal discovery and attend an
21 early mediation, in which Plaintiff was provided with, among other things: (1) 100% of time and
22 pay records for approximately 114 Class Members; (2) all relevant policy documents; and (3)
23 exemplars of any purported meal period waivers, arbitration agreements, and release agreements.

24 **E.** On June 19, 2024, the Parties participated in a full-day mediation before Katherine
25 Edwards, Esquire, a well-regarded mediator experienced in mediating complex labor and
26 employment matters. The Parties were unable to resolve the matter at mediation, but with the aid
27 of the mediator continued negotiations and reached the Settlement to resolve the Action.

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1 **F.** Class Counsel has conducted significant investigation of the law and facts relating
2 to the claims asserted in the Action, the PAGA Notice, and has concluded that that the Settlement
3 set forth herein is fair, reasonable, adequate, and in the best interests of the Settlement Class,
4 taking into account the sharply contested issues involved, the purported release agreements signed
5 by Class Members, the purported arbitration agreements signed by Class Members, the expense
6 and time necessary to litigate the Action through trial and any appeals, the risks and costs of
7 further litigation of the Action, the risk of an adverse outcome, the uncertainties of complex
8 litigation, the information learned through informal discovery regarding Plaintiff's allegations, and
9 the substantial benefits to be received by Settlement Class Members.

10 **G.** Defendants have concluded that, because of the substantial expense of defending
11 against the Action, the length of time necessary to resolve the issues presented herein, the
12 inconvenience involved, and the concomitant disruption to its business operations, it is in its best
13 interest to accept the terms of this Agreement. Defendants deny each of the allegations and claims
14 asserted against it in the Action and the PAGA Notice. However, Defendants nevertheless desire
15 to settle the Action for the purpose of avoiding the burden, expense and uncertainty of continuing
16 litigation and for the purpose of putting to rest the controversies engendered by the Action.

17 **H.** This Agreement is intended to and does effectuate the full, final, and complete
18 resolution of all Class Released Claims of Plaintiff and Participating Class Members, and all
19 PAGA Released Claims of Plaintiff and, to the extent permitted by law, of the State of California
20 and Aggrieved Employees.

21 **3. JURISDICTION**

22 The Court has jurisdiction over the Parties and the subject matter of the Action. The
23 Action includes claims that, if proven, would authorize the Court to grant relief pursuant to the
24 applicable statutes. After the Court has granted Final Approval of the Settlement and entered
25 judgment, the Court shall retain jurisdiction over the Parties to enforce the terms of the judgment
26 pursuant to California Rule of Court, rule 3.769, subdivision (h)

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1 4. **STIPULATION OF CLASS CERTIFICATION**

2 The Parties stipulate to the certification of the Settlement Class under this Agreement for
3 purposes of settlement only.

4 5. **MOTIONS FOR APPROVAL OF SETTLEMENT**

5 After full execution of this Agreement, Plaintiff will move for an order granting
6 preliminary approval of the Settlement, approving and directing the mailing of the proposed
7 Notice of Class Action Settlement ("Class Notice") attached hereto as **Exhibit "A"**, conditionally
8 certifying the Settlement Class for settlement purposes only, and approving the deadlines proposed
9 by the Parties for the submission of Requests for Exclusion, Workweek Disputes, and Objections.
10 If and when the Court preliminarily approves the Settlement, and after administration of the Class
11 Notice in a manner consistent with the Court's Preliminary Approval Order, Plaintiff will move
12 for an order finally approving the Settlement and seek entry of a Judgment in line with this
13 Settlement. The Parties may both respond to any Objections lodged to final approval of the
14 Settlement up to five (5) court days before the Final Approval Hearing.

15 6. **STATEMENT OF NO ADMISSION**

16 Defendants deny any wrongdoing of any sort and further deny any liability to Plaintiff and
17 the Settlement Class with respect to any claims or allegations asserted in the Action and the
18 PAGA Notice. This Agreement shall not be deemed an admission by Defendants of any claims or
19 allegations asserted in the Action or the PAGA Notice. Except as set forth elsewhere herein, in
20 the event that this Agreement is not approved by the Court, or any appellate court, is terminated,
21 or otherwise fails to be enforceable, Plaintiff will not be deemed to have waived, limited or
22 affected in any way any claims, rights or remedies, or defenses in the Action or the PAGA Notice,
23 and Defendants will not be deemed to have waived, limited, or affected in any way any of their
24 objections or defenses in the Action and the PAGA Notice. The Parties shall be restored to their
25 respective positions in the Action prior to the entry of this Settlement.

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1 **7. RELEASE OF CLAIMS**

2 **A. Release by All Participating Class Members.**

3 Effective only upon the entry of an Order granting Final Approval of the Settlement, entry
4 of Judgment, and payment by Defendants to the Settlement Administrator of the full Gross
5 Settlement Amount and Employers' Taxes necessary to effectuate the Settlement, Plaintiff and all
6 Participating Class Members release all claims against the Released Parties asserted in the
7 Operative Complaint filed in the Action, or any and all claims that may be asserted against the
8 Released Parties based on the factual allegations in the Operative Complaint, as follows: For the
9 duration of the Class Period, the release includes, for Participating Class Members: (1) all claims
10 for failure to pay overtime wages; (2) all claims for failure to pay minimum wages; (3) all claims
11 for failure to provide meal periods or compensation in lieu thereof; (4) all claims for failure to
12 provide rest periods or compensation in lieu thereof; (5) all claims for failure to pay all wages due
13 upon separation from employment; (6) all claims for failure to issue accurate and compliant wage
14 statements; (7) all claims for failure to timely pay wages; (8) all claims for failure to reimburse
15 employees for business expenses; and (9) all claims asserted through California Business &
16 Professions Code section 17200, *et seq.* arising out of the Labor Code violations referenced in the
17 Complaint (the "Class Released Claims").

18 **B. Release by All Aggrieved Employees**

19 For Aggrieved Employees, and, to the extent permitted by law, the State of California, the
20 release includes for the duration of the PAGA Period, all claims asserted in the PAGA Notice, and
21 alleged in the Operative Complaint for PAGA civil penalties pursuant to Labor Code sections 210,
22 226.3, 558, 1174.5, 1197.1, and 2699 in connection with alleged violations of Labor Code sections
23 96, 98.6, 200, 201, 201.3, 202, 203, 204, 226, 226.7, 227.3, 232, 232.5, 246 *et seq.*, 510, 512,
24 1102.5, 1174, 1194, 1197, 1194.2, 1197, 1197.5, 1198.5, 2802, and 2810.5 (the "PAGA Released
25 Claims"). The Class Released Claims and PAGA Released Claims shall be referred to herein as
26 the "Released Claims".

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1 **C. Claims Not Released**

2 The release expressly excludes all other claims, including claims for vested benefits,
3 wrongful termination, unemployment insurance, disability, social security, workers'
4 compensation, and any other claims outside of the Class Released Claims of Participating Class
5 Members arising during the Class Period and the PAGA Released Claims of Aggrieved
6 Employees (and, to the extent permitted by law, the State of California) arising outside of the
7 PAGA Period.

8 **D. General Release**

9 Effective only upon the entry of an Order granting Final Approval of the Settlement, entry
10 of Judgment, and payment by Defendants to the Settlement Administrator selected of the full
11 Gross Settlement Amount and Employers' Taxes necessary to effectuate the Settlement, in
12 addition to the Released Claims, Plaintiff makes the additional following General Release:
13 Plaintiff releases the Released Parties from all claims, demands, rights, liabilities and causes of
14 action of every nature and description whatsoever, known or unknown, asserted or that might have
15 been asserted, whether in tort, contract, or for violation of any state or federal statute, rule, law or
16 regulation arising out of, relating to, or in connection with any act or omission of the Released
17 Parties through the date of full execution of this Agreement in connection with Plaintiff's
18 employment with Defendants or the termination thereof, except for any and all other claims that
19 may not be released as a matter of law through this Agreement.

20 As further consideration for the releases being provided by Plaintiff, Defendants release
21 and forever discharge Plaintiff, as well as Plaintiff's heirs, assigns and attorneys, of and from any
22 and all claims, actions, causes of action of every kind in law or equity, suits, debts, liens,
23 contracts, agreements, obligations, promises, demands, liabilities, damages, losses, costs and
24 expenses of any nature whatsoever, known or unknown, fixed or contingent, that Defendants may
25 have, or may hereinafter acquire, against Plaintiff, arising out of, or pertaining to, any event or
26 circumstance of any kind that in any way relates to Plaintiff's employment with Defendants or
27 otherwise.

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1 To the extent of the General Release provided herein, the Parties stipulate and agree that,
2 upon entry of an Order granting Final Approval of the Settlement, entry of Judgment, and payment
3 by Defendants to the Settlement Administrator selected of the full Gross Settlement Amount and
4 Employers' Taxes necessary to effectuate the Settlement, they shall have expressly waived and
5 relinquished, to the fullest extent permitted by law, the provisions, rights and benefits of Section
6 1542 of the California Civil Code, or any other similar provision under federal or state law, which
7 provides:

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

12 **8. SETTLEMENT ADMINISTRATOR**

13 A. Plaintiff and Defendants, through their respective counsel, have selected ILYM
14 Group, Inc. to administer the Settlement, which includes but is not limited to translating the Class
15 Notice to Spanish, distributing and responding to inquiries about the Class Notice and calculating
16 all amounts to be paid from the Gross Settlement Amount. Charges and expenses of the
17 Settlement Administrator, currently estimated to be \$12,000 will be paid from the Gross
18 Settlement Amount. If the actual amount of the Settlement Administration Costs is less than
19 \$12,000, the difference between \$12,000 and the actual Settlement Administration Costs shall be a
20 part of the Net Settlement Amount. If the Settlement Administration Costs exceed \$12,000, then
21 such excess will be paid solely from the Gross Settlement Amount and Defendants will not be
22 responsible for paying any additional funds in order to pay these additional costs.

23 **9. NOTICE, WORKWEEK DISPUTE, OBJECTION, AND EXCLUSION**
24 **PROCESS**

25 A. **Notice to the Settlement Class Members**

26 (1) Within fifteen (15) calendar days after the Preliminary Approval Date,
27 Defendants' Counsel shall provide the Settlement Administrator with information with respect to
28 each Settlement Class Member, including his or her: (1) name; (2) last known address(es)

1 currently in Defendants' possession, custody, or control; (3) last known telephone number(s)
2 currently in Defendants' possession, custody, or control; (4) last known Social Security Number(s)
3 in Defendants' possession, custody, or control for each Settlement Class Member; and (5) the
4 number of Workweeks worked by each Class Member during the Class Period and the number of
5 Pay Periods worked by each Class Member during the PAGA Period ("Class List"). The number
6 of Workweeks worked by each Class Member during the Class Period and the number of Pay
7 Periods worked by each Class Member during the PAGA Period shall be made available to Class
8 Counsel upon request. The Settlement Administrator shall perform an address search using the
9 United States Postal Service National Change of Address ("NCOA") database and update the
10 addresses contained on the Class List with the newly-found addresses, if any. Within seven (7)
11 calendar days, or soon thereafter, of receiving the Class List from Defendants, the Settlement
12 Administrator shall mail the Class Notice in English and Spanish to the Settlement Class Members
13 via first-class regular U.S. Mail using the most current mailing address information available. The
14 Settlement Administrator shall maintain the Class List and digital copies of all the Settlement
15 Administrator's records evidencing the giving of notice to any Settlement Class Member, for at
16 least four (4) years from the Final Approval Date.

17 (2) The Class Notice will set forth:

- 18 (a) the Settlement Class Member's estimated Individual
19 Settlement Payment and Individual PAGA Payment, and
20 the basis for each;
- 21 (b) the information required by California Rule of Court,
22 rule 3.766, subdivision (d);
- 23 (c) the material terms of the Settlement;
- 24 (d) the proposed Settlement Administration Costs;
- 25 (e) the definition of the Settlement Class;
- 26 (f) a statement that the Court has preliminarily approved the
27 Settlement;

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- 1 (g) how the Settlement Class Member can obtain additional
2 information, including contact information for Class
3 Counsel;
4 (h) instructions for opt-out and objection procedures;
5 (i) the date and location of the Final Approval Hearing; and
6 (j) that the Settlement Class Member must notify the
7 Settlement Administrator no later than the Response
8 Deadline if the Settlement Class Member disputes the
9 accuracy of the number of Workweeks as set forth on his
10 or her Class Notice ("Workweek Dispute"). If a
11 Settlement Class Member fails to timely dispute the
12 number of Workweeks attributed to him or her in
13 conformity with the instructions in the Class Notice, then
14 he or she shall be deemed to have waived any objection
15 to its accuracy and any claim to any additional settlement
16 payment based on different data.

17 (3) If a Class Notice from the initial notice mailing is returned as undeliverable,
18 the Settlement Administrator will attempt to obtain a current address for the Settlement Class
19 Member to whom the returned Class Notice had been mailed, within five (5) calendar days of
20 receipt of the returned Class Notice, by: (1) contacting the Settlement Class Member by phone, if
21 possible, and (2) undertaking skip tracing. If the Settlement Administrator is successful in
22 obtaining a new address, it will promptly re-mail the Class Notice to the Settlement Class
23 Member. Further, any Class Notices that are returned to the Settlement Administrator with a
24 forwarding address before the Response Deadline shall be promptly re-mailed to the forwarding
25 address affixed thereto.

26 (4) No later than seven (7) calendar days from the Response Deadline, the
27 Settlement Administrator shall provide counsel for the Parties with a declaration attesting to the
28 completion of the notice process, including the number of attempts to obtain valid mailing

1 addresses for and re-sending of any returned Class Notices, as well as the identities, number of,
2 and copies of all Requests for Exclusion and Objections received by the Settlement Administrator.

3 **B. Objections.**

4 Only Participating Class Members may object to the Settlement. In order for any Settlement
5 Class Member to object to this Settlement in writing, or any term of it, he or she must do so by
6 mailing a written objection to the Settlement Administrator at the address or phone number provided
7 on the Class Notice no later than the Response Deadline. The Settlement Administrator shall email
8 a copy of the Objection forthwith to Class Counsel and Defendants' counsel and attach copies of all
9 Objections to the Declaration it provides Class Counsel, which Class Counsel shall file in support
10 of Plaintiff's Motion for Final Approval. The Objection should set forth in writing: (1) the
11 Objector's name; (2) the Objector's address; (3) the last four digits of the Objector's Social Security
12 Number; (4) the Objector's signature; (5) a statement of whether the Objector plans to appear at the
13 Final Approval Hearing; and (6) the reason(s) for the Objection, along with whatever legal authority,
14 if any, the Objector asserts in support of the Objection. If a Settlement Class Member objects to the
15 Settlement, the Settlement Class Member will remain a member of the Settlement Class and if the
16 Court approves this Agreement, the Settlement Class Member will be bound by the terms of the
17 Settlement in the same way and to the same extent as a Settlement Class Member who does not
18 object. The date of mailing of the Class Notice to the objecting Settlement Class Member shall be
19 conclusively determined according to the records of the Settlement Administrator. Settlement Class
20 Members need not object in writing to be heard at the Final Approval Hearing; they may object or
21 comment in person at the hearing at their own expense. Class Counsel and Defendants' Counsel
22 may respond to any objection lodged with the Court up to five (5) court days before the Final
23 Approval Hearing.

24 **C. Requesting Exclusion.**

25 Any Settlement Class Member may request exclusion from (*i.e.*, "opt out" of) the Settlement
26 by mailing a written request to be excluded from the Settlement ("Request for Exclusion") to the
27 Settlement Administrator, postmarked on or before the Response Deadline. To be valid, a Request
28 for Exclusion must include: (1) the Class Member's name; (2) the Class Member's Social Security

1 Number; (3) the Class Member's signature; and (4) the following statement: "Please exclude me
2 from the Settlement Class in the *Palma v. Sunset Signs and Printing, Inc., et al.* matter" or any
3 statement of similar meaning standing for the proposition that the Class member does not wish to
4 participate in the Settlement. The Settlement Administrator shall immediately provide copies of all
5 Requests for Exclusion to Class Counsel and Defendants' Counsel and shall report the Requests for
6 Exclusions that it receives, to the Court, in its declaration to be provided in advance of the Final
7 Approval Hearing. Any Settlement Class Member who requests exclusion using this procedure will
8 not be entitled to receive any payment from the Settlement and will not be bound by the Settlement
9 Agreement or have any right to object to, appeal, or comment on the Settlement. Any Settlement
10 Class Member who does not opt out of the Settlement by submitting a timely and valid Request for
11 Exclusion will be bound by all terms of the Settlement, including those pertaining to the Released
12 Claims, as well as any Judgment that may be entered by the Court if Final Approval of the Settlement
13 is granted. A Settlement Class Member cannot submit both a Request for Exclusion and an
14 objection. If a Settlement Class Member submits an Objection and a Request for Exclusion, the
15 Request for Exclusion will control and the Objection will be overruled. Settlement Class Members
16 who worked during the PAGA Period as Aggrieved Employees that submit a valid Request for
17 Exclusion will still be deemed Aggrieved Employees, will still receive their Individual PAGA
18 Payments, and will be bound by the release of the PAGA Released Claims.

19 **D. Disputes Regarding Settlement Class Members' Workweek Data.**

20 Each Settlement Class Member may dispute the number of Workweeks attributed to him or
21 her on his or her Class Notice ("Workweek Dispute"). Any such disputes must be mailed to the
22 Settlement Administrator by the Settlement Class Member, postmarked on or before the Response
23 Deadline. The Settlement Administrator shall immediately provide copies of all disputes to Class
24 Counsel and counsel for Defendants and shall immediately attempt to resolve all such disputes
25 directly with relevant Settlement Class Member(s) with the assistance of Defendants and Class
26 Counsel. If the dispute cannot be resolved in this manner, the Court shall adjudicate the dispute.

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1 **10. INDIVIDUAL SETTLEMENT PAYMENTS AND INDIVIDUAL PAGA**
2 **PAYMENTS**

3 Individual Settlement Payments will be calculated and distributed to Participating Class
4 Members from the Net Settlement Amount on a *pro rata* basis, based on the Participating Class
5 Members' respective number of Workweeks worked during the Class Period. Individual PAGA
6 Payments to Aggrieved Employees will be calculated and distributed to Aggrieved Employees
7 from the PAGA Payment on a *pro rata* basis based on Aggrieved Employees' respective number
8 of Pay Periods worked during the PAGA Period. Specific calculations of the Individual Settlement
9 Shares and Individual PAGA Payments to Aggrieved Employees will be made as follows:

10 **A.** The Settlement Administrator will determine the total number of Workweeks
11 worked by each Settlement Class Member during the Class Period ("Class Member's
12 Workweeks"), as well as the aggregate number of Workweeks worked by all Settlement Class
13 Members during the Class Period ("Class Workweeks"). Additionally, the Settlement
14 Administrator will determine the total number of Pay Periods worked by each Aggrieved
15 Employee during the PAGA Period ("Aggrieved Employee's Workweeks"), as well as the
16 aggregate number of Pay Periods worked by all Aggrieved Employees during the PAGA Period
17 ("PAGA Pay Periods").

18 **B.** To determine each Settlement Class Member's Individual Settlement Share, the
19 Settlement Administrator will use the following formula: Individual Settlement Share =
20 (Settlement Class Member's Workweeks ÷ Class Workweeks) × Net Settlement Amount.

21 **C.** To determine each Participating Class Member's Participating Individual
22 Settlement Share, the Settlement Administrator will determine the aggregate number of
23 Workweeks worked by all Participating Class Members during the Class Period ("Participating
24 Class Workweeks") and use the following formula: Individual Settlement Share = (Participating
25 Class Member's Workweeks ÷ Participating Class Workweeks) × Net Settlement Amount.

26 **D.** The net amount of the Participating Individual Settlement Share is to be paid out
27 to Participating Class Members by way of check and is referred to as "Individual Settlement
28 Payment(s)".

1 E. To determine each Aggrieved Employee's Individual PAGA Payment, the
2 Settlement Administrator will use the following formula: Aggrieved Employee's Individual
3 PAGA Payment = (Aggrieved Employee's Workweeks ÷ PAGA Pay Periods) x \$3,750.00 (the
4 PAGA Payment).

5 F. Individual Settlement Payments and Individual PAGA Payments shall be paid to
6 Participating Class Members and/or Aggrieved Employees by way of check. When a Participating
7 Class Member is also an Aggrieved Employee, one check may be issued that aggregates both the
8 Individual Settlement Payment and the Individual PAGA Payment.

9 **11. DISTRIBUTION OF PAYMENTS**

10 **A. Distribution of Individual Settlement Payments.**

11 Participating Class Members will receive an Individual Settlement Payment and Aggrieved
12 Employees will receive an Individual PAGA Payment. Individual Settlement Payment and
13 Individual PAGA Payment checks shall remain valid and negotiable for one hundred and eighty
14 (180) calendar days after the date of their issuance. Within seven (7) calendar days after expiration
15 of the 180-day period, checks for such payments shall be canceled and funds associated with such
16 checks shall be considered unpaid, unclaimed or abandoned cash residue pursuant to Code of Civil
17 Procedure section 384 ("Unpaid Residue"). The Unpaid Residue plus accrued interest, if any, as
18 provided in Code of Civil Procedure section 384, shall be transmitted to the California Controller's
19 Office, Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid
20 residue" subject to the requirements of Code of Civil Procedure section 384.

21 **B. Funding of Settlement.**

22 Defendants shall, within twenty (20) calendar days of Final Approval Date, make payment
23 of the Gross Settlement Amount (as the same may be escalated pursuant to Paragraph 17 of this
24 Agreement) to the Settlement Administrator pursuant to Internal Revenue Code section 1.468B-1
25 for deposit in an interest-bearing qualified settlement account ("QSA") with an FDIC insured
26 banking institution, for distribution in accordance with this Agreement and the Court's Orders and
27 subject to the conditions described herein.
28

1 **C. Time for Distribution.**

2 Within seven (7) calendar days after payment of the full Gross Settlement Amount or as
3 soon thereafter as practicable, the Settlement Administrator shall distribute Payments from the
4 QSA for: (1) the Service Award to Plaintiff as specified in this Agreement and approved by the
5 Court; (2) the Attorneys' Fees and Cost Award to be paid to Class Counsel, as specified in this
6 Agreement and approved by the Court; (3) the Settlement Administrator Costs, as specified in this
7 Agreement and approved by the Court; (4) the LWDA Payment, as specified in this Agreement
8 and approved by the Court; and (5) Individual PAGA Payments as specified in this Agreement and
9 approved by the Court. The balance remaining shall constitute the Net Settlement Amount from
10 which Individual Settlement Payments shall be made to Participating Class Members and
11 Individual PAGA Payments shall be made to Class Members, less applicable taxes and
12 withholdings. All interest accrued shall be for the benefit of the Class Members and distributed on
13 a *pro rata* basis to Participating Class Members based on the number of Workweeks worked by
14 them in the Class Period.

15 Within seven (7) calendar days after payment of the full Gross Settlement Amount or as
16 soon thereafter as practicable, the Settlement Administrator shall calculate the amount of the
17 Employer's Share of Payroll Taxes and shall remit and report the applicable portions of the payroll
18 tax payment to the appropriate taxing authorities in a timely manner. Defendant Sunset Signs will
19 be responsible for paying its share of the Payroll Taxes and this amount will not be deducted from
20 the Gross Settlement Amount or Net Settlement Amount.

21 **12. ATTORNEYS' FEES AND LITIGATION COSTS**

22 Class Counsel shall apply for, and Defendants shall not oppose, an award of attorneys' fees
23 of up to 32% of the Gross Settlement Amount, which, unless escalated pursuant to Paragraph 17 of
24 this Agreement, amounts to Seventy-Two Thousand Dollars and Zero Cents (\$72,000.00). Class
25 Counsel shall further apply for, and Defendants shall not oppose, an application or motion by Class
26 Counsel for reimbursement of actual costs associated with Class Counsel's prosecution of this
27 matter as set forth by declaration testimony in an amount up to Twenty-Five Thousand Dollars and
28 Zero Cents (\$25,000.00). Awards of attorneys' fees and costs shall be paid out of the Gross

1 Settlement Amount, for all past and future attorneys' fees and costs necessary to prosecute, settle,
2 and obtain Final Approval of the settlement in Action. The "future" aspect of the amounts stated
3 herein includes, without limitation, all time and expenses expended by Class Counsel (including any
4 appeals therein). There will be no additional charge of any kind to either the Settlement Class
5 Members or request for additional consideration from Defendants for such work unless Defendants
6 materially breach this Agreement, including any term regarding funding, and further efforts are
7 necessary from Class Counsel to remedy said breach, including, without limitation, moving the
8 Court to enforce the Agreement. Should the Court approve attorneys' fees and/or litigation costs
9 and expenses in amounts that are less than the amounts provided for herein, then the unapproved
10 portion(s) shall be a part of the Net Settlement Amount.

11 **13. SERVICE AWARD TO PLAINTIFF**

12 Named Plaintiff shall seek, and Defendants shall not oppose, a Service Award in an
13 amount not to exceed Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) for
14 participation in and assistance with the Class Action. Any Service Award awarded to Plaintiff
15 shall be paid from the Gross Settlement Amount and shall be reported on an IRS Form 1099. If
16 the Court approves the Service Award to Plaintiff in less than the amounts sought herein, then the
17 unapproved portion(s) shall be a part of the Net Settlement Amount.

18 **14. TAXATION AND ALLOCATION**

19 a. Each Individual Settlement Share shall be allocated as follows: 20% as wages (to
20 be reported on an IRS Form W2); and 80% as interest and penalties (to be reported on an IRS
21 Form 1099). Each Individual PAGA Payment shall be allocated entirely as penalties. The Parties
22 agree that the employees' share of taxes and withholdings with respect to the wage-portion of the
23 Individual Settlement Share will be withheld from the Individual Settlement Share in order to
24 yield the Individual Settlement Payment. The amount of federal income tax withholding will be
25 based upon a flat withholding rate for supplemental wage payments in accordance with Treasury
26 Regulation § 31.3402(g)-1(a)(2) as amended or supplemented. Income tax withholding will also
27 be made pursuant to applicable state and/or local withholding codes or regulations.

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1 b. Forms W-2 and/or Forms 1099 will be distributed by the Settlement Administrator
2 at times and in the manner required by the Internal Revenue Code of 1986 (the "Code") and
3 consistent with this Agreement. If the Code, the regulations promulgated thereunder, or other
4 applicable tax law, is changed after the date of this Agreement, the processes set forth in this
5 Section may be modified in a manner to bring Defendants into compliance with any such changes.

6 c. All Employer Taxes shall be paid by Defendant Sunset Signs separate, apart, and in
7 addition to the Gross Settlement Amount. Defendant Sunset Signs shall remain liable to pay the
8 employer's share of payroll taxes as described above.

9 d. Neither Counsel for Plaintiff nor Defendants intend anything contained in this
10 Agreement to constitute advice regarding taxes or taxability, nor shall anything in this Agreement
11 be relied upon as such within the meaning of United States Treasury Department Circular 230 (31
12 C.F.R. Part 10, as amended) or otherwise.

13 **15. PRIVATE ATTORNEYS' GENERAL ACT ALLOCATION**

14 The Parties agree to allocate Fifteen Thousand Dollars and Zero Cents (\$15,000.00) of the
15 Gross Settlement Amount toward PAGA penalties. Pursuant to the PAGA, seventy-five percent
16 (75%) of the amount allocated toward PAGA (\$11,250.00) will be paid to the LWDA and twenty-
17 five percent (25%) (\$3,750.00) will be distributed to Aggrieved Employees on a *pro rata* basis
18 based upon their respective Pay Periods worked for Defendants during the PAGA Period.

19 **16. COURT APPROVAL**

20 This Agreement is contingent upon an order by the Court granting Final Approval of the
21 Settlement, and that the LWDA does not intervene and object to the Settlement. In the event it
22 becomes impossible to secure approval of the Settlement by the Court and the LWDA, the Parties
23 shall be restored to their respective positions in the Action prior to entry of this Settlement. If this
24 Settlement Agreement is voided, not approved by the Court or approval is reversed on appeal, it
25 shall have no force or effect and no Party shall be bound by its terms except to the extent: (a) the
26 Court reserves any authority to issue any appropriate orders when denying approval; and/or (b)
27 there are any terms and conditions in this Settlement Agreement specifically stated to survive the
28 Settlement Agreement being voided or not approved, and which control in such an event.

1 **17. INCREASE IN WORKWEEKS**

2 Defendants represent that there are no more than 8,279 Workweeks worked from February
3 16, 2020 through June 16, 2024. In the event the number of Workweeks worked by Class
4 Members from February 16, 2020 through June 16, 2024 is more than 5% greater than 8,279
5 Workweeks (i.e., if there are more than 8,693 workweeks worked by the Settlement Class
6 Members from February 16, 2020 to June 16, 2024), Defendants will increase the Gross
7 Settlement Amount in proportion to the increase in workweeks worked by the Settlement Class
8 Members over 8,693 (e.g., if the number of workweeks worked by the Settlement Class Members
9 from February 16, 2020 to June 16, 2024 is 7% greater than 8,693 Sunset Signs will increase the
10 Gross Settlement Amount by 2%).

11 **18. NOTICE OF JUDGMENT**

12 In addition to any duties set out herein, the Settlement Administrator shall provide
13 notice of the Final Judgment entered in the Action by posting the same on its website for a period
14 of no less than four (4) years.

15 **19. WITHDRAWAL FROM SETTLEMENT BASED ON REQUESTS FOR**
16 **EXCLUSION**

17 Defendants shall retain the right to nullify the Agreement in the event that Class Members
18 representing more than 15% of the verified workweeks submit timely and valid Requests for
19 Exclusion. Defendants must provide written notice to Class Counsel of their withdrawal within
20 ten (10) calendar days of receiving sufficient information to determine that the opt out rate exceeds
21 15%.

22 At no time shall any of the Parties, Class Counsel, or Defense Counsel seek to solicit or
23 otherwise encourage or discourage Class Members from submitting a Request for Exclusion, Notice
24 of Objection or filing an appeal from the Final Order and Judgment.

25 **20. MISCELLANEOUS PROVISIONS**

26 **A. Interpretation of the Agreement.**

27 This Agreement constitutes the entire agreement between the Parties with respect to its
28 subject matter. Except as expressly provided herein, this Agreement has not been executed in

1 reliance upon any other written or oral representations or terms; and no such extrinsic oral or
2 written representations or terms shall modify, vary or contradict its terms. In entering into this
3 Agreement, the Parties agree that this Agreement is to be construed according to its terms and may
4 not be varied or contradicted by extrinsic evidence. The Agreement will be interpreted and
5 enforced under the laws of the State of California, both in its procedural and substantive aspects,
6 without regard to its conflict of law provisions. Any claim arising out of or relating to the
7 Agreement, or the subject matter hereof, will be resolved solely and exclusively in the Superior
8 Court of the State of California for the County of Orange, and Plaintiff and Defendants hereby
9 consent to the personal jurisdiction of the Court in the Action over it solely in connection
10 therewith. The foregoing is only limited to disputes concerning this Agreement. The Parties, and
11 each of them, participated in the negotiation and drafting of this Agreement and had available to
12 them the advice and assistance of independent counsel. As such, neither Plaintiff nor Defendants
13 may claim that any ambiguity in this Agreement should be construed against the other. The
14 Agreement may be modified only by a writing signed by counsel for the Parties and approved by
15 the Court.

16 **B. Further Cooperation.**

17 The Parties and their respective attorneys shall proceed diligently to prepare and execute
18 all documents, to seek the necessary approvals from the Court, and to do all things reasonably
19 necessary to consummate the Settlement as expeditiously as possible. The Parties agree that they
20 will not take any action inconsistent with this Agreement, including, without limitation,
21 encouraging Class Members to opt out of the Settlement. In the event the Court finds that any
22 Party has taken actions inconsistent with the Settlement, including, without limitation,
23 encouraging Class Members to opt out of the Settlement, the Court may take any corrective
24 actions, including enjoining any Party from communicating regarding the Settlement on an *ex*
25 *parte* basis, issuing (a) corrective notice(s), awarding monetary, issue, evidentiary and/or
26 terminating sanctions against that Party, and/or enforcing this Agreement despite the presence of
27 opt-outs and/or objections.

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1 **C. Counterparts.**

2 The Agreement may be executed in one or more actual or non-original counterparts, all of
3 which will be considered one and the same instrument and all of which will be considered
4 duplicate originals.

5 **D. Authority.**

6 Each individual signing below warrants that he or she has the authority to execute this
7 Agreement on behalf of the Party for whom or which that individual signs.

8 **E. No Third-Party Beneficiaries.**

9 Plaintiff, Participating Class Members, Aggrieved Employees, the State of California,
10 Class Counsel, and Defendants are direct beneficiaries of this Agreement, but there are no third-
11 party beneficiaries.

12 **F. Deadlines Falling on Weekends or Holidays.**

13 To the extent that any deadline set forth in this Agreement falls on a Saturday, Sunday, or
14 legal holiday, that deadline shall be continued until the following business day.

15 **G. Continuing Jurisdiction**

16 The Parties hereby agree that pursuant to Code of Civil Procedure section 664.6,
17 the trial court shall retain jurisdiction over the Parties over the Action to enforce the terms of this
18 Agreement.

19 **H. Severability.**

20 In the event that one or more of the provisions contained in this Agreement shall for any
21 reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or
22 unenforceability shall in no way effect any other provision if Defendants' Counsel and Class
23 Counsel, on behalf of the Parties and the Settlement Class, mutually elect in writing to proceed as
24 if such invalid, illegal, or unenforceable provision had never been included in this Agreement.

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2 **IT IS SO AGREED:**

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4 Dated: 10/02/2024, 2024

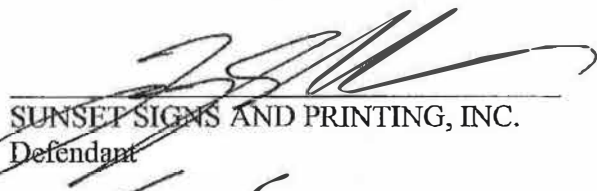


Jimmy Palma (Oct 2, 2024 11:04 PDT)

JIMMY A. PALMA
Plaintiff and Class Representative

6

7 Dated: 9/30/24, 2024
8 TE



SUNSET SIGNS AND PRINTING, INC.
Defendant

By: TRACY ESCHENBRENNER

Its: CEO

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13 Dated 9/30/24, 2024



TRACY ESCHENBRENNER
Defendant

By: TRACY ESCHENBRENNER

Its: CEO

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18 **AGREED AS TO FORM:**

19

20 Dated: October 1, 2024

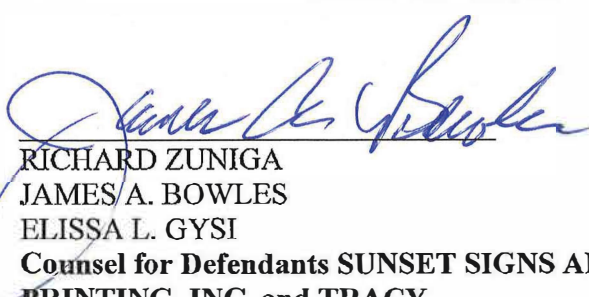


JOSHUA SHIRIAN
Counsel for Plaintiff JIMMY A. PALMA

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23 Dated: 10/11/24, 2024



RICHARD ZUNIGA
JAMES A. BOWLES
ELISSA L. GYSI
Counsel for Defendants SUNSET SIGNS AND
PRINTING, INC. and TRACY
ESCHENBRENNER

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EXHIBIT A

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

Palma v. Sunset Signs and Printing, Inc., et. al.

(County of Orange County, California Superior Court Case No. 30-2024-01379991-CU-OE-CXC)

Please read this Notice carefully. This Notice relates to a proposed settlement of class and representative action lawsuit. If you are a Class Member or an Aggrieved Employee, it contains important information about your right to receive a payment from the Settlement.

You have received this Notice of Class Action Settlement because the records of Sunset Signs and Printing, Inc. ("Sunset Signs") and Tracy Eschenbrenner ("Eschenbrenner" and collectively with Sunset Signs, "Defendants") show you are a "Class Member" and/or an "Aggrieved Employee," and therefore are entitled to a payment from this class and representative action Settlement. Class Members are all current and former non-exempt, hourly-paid employees who worked for Sunset Signs in California at any time from February 16, 2020 through June 16, 2024 ("Class Period" or "Settlement Period"). Aggrieved Employees are all current and former non-exempt, hourly-paid employees who worked for Sunset Signs in California at any time during the PAGA Period, which is defined as February 2, 2023 through June 16, 2024.

- The settlement is to resolve a class and representative action lawsuit, *Palma v. Sunset Signs and Printing, Inc., et al.*, pending in the Superior Court of California for the County of Orange County, Case Number 30-2024-01379991-CU-OE-CXC (the "Lawsuit"), alleging, *inter alia*, that, during the Class Period, Defendants, as it pertains to Class Members: (1) failed to pay overtime wages; (2) failed to pay minimum wages; (3) failed to provide meal periods or compensation in lieu thereof; (4) failed to provide rest periods or compensation in lieu thereof; (5) failed to all wages due upon termination; (6) failed to provide accurate wage statements; (7) failed to timely pay wages during employment; (8) failed to reimburse for business expenses; and (9) engaged in unfair competition. Based on these and other alleged Labor Code violations, Plaintiff also seek penalties under the California Labor Code Private Attorney Generals Act ("PAGA") for allegedly Aggrieved Employees.
- On _____, the Orange County Superior Court granted preliminary approval of this class action settlement and ordered that all Class Members be notified of the Settlement. The Court has not made any determination of the validity of the claims in the Lawsuit. Defendants vigorously denies the claims in the Lawsuit and contends that it fully complied with all applicable laws.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING AND RECEIVE PAYMENT	Get a payment and give up your legal rights to pursue claims released by the settlement of the Lawsuit.
OPT OUT OF THE CLASS SETTLEMENT	Exclude yourself from the class action portion of the Settlement, get no payment for settlement of the class claims, and retain your legal rights to individually pursue the class claims that would otherwise be released by the settlement of the Lawsuit. If you worked in the PAGA Period as a hourly-paid non-exempt employee of Defendants then you will be deemed a "Aggrieved Employee" and you will still receive your share of the proceeds available from the settlement of the PAGA Released Claims, defined below, (your "Individual

Questions? Contact the Settlement Administrator toll free at [PHONE NUMBER]

	PAGA Payment”) even if you opt out of the class settlement.
OBJECT TO THE CLASS SETTLEMENT	If you do not opt out, you may write to the Settlement Administrator, _____, about why you object to the settlement, and they will forward your concerns to counsel which will then be provided to the Court. If the Court approves the Settlement despite your objection, you will still be bound by the Settlement. You or your attorney may also address the Court during the Final Approval Hearing scheduled for [DATE AND TIME] in Department CX-104 of the Orange County Superior Court, Civil Complex Center located at 751 West Santa Ana Blvd., Santa Ana, CA 92701.

The Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement will be held at _____m. on _____, in the Orange County Superior Court, Civil Complex Center located at 751 West Santa Ana Blvd., Santa Ana, CA 92701, in Department CX-104. You are not required to attend the Hearing, but you are welcome to do so.

Why Am I Receiving This Notice?

Defendants’ records show that you currently work, or previously worked, for Sunset Signs in the State of California as a non-exempt, hourly-paid employee at some point during the Class Period and/or PAGA Period. You were sent this Class Notice because you have a right to know about a proposed settlement of a class action lawsuit, and about all of your options before the Court decides whether to finally approve the settlement. If the Court approves the settlement and then any objections and appeals are resolved, a “Settlement Administrator” appointed by the Court will make the payments described in this Notice. This Notice explains the Lawsuit, the settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

What Is This Case About?

Plaintiff Jimmy A. Palma was a non-exempt, hourly-paid employee of Defendants. He is the “Plaintiff” in this case and is suing on behalf of himself and Class Members for Defendants’ alleged failure to pay overtime and minimum wages, failure to provide meal periods or compensation in lieu thereof, failure to provide rest periods or compensation in lieu thereof, failure to pay due wages upon separation from employment, failure to timely pay wages during employment, failure to issue compliant and accurate wage statements, expense reimbursement violations, and unfair competition, among other claims.

Based on these and other alleged Labor Code violations, Plaintiff also seeks to recover civil penalties under PAGA.

Defendants deny all of the allegations made by Plaintiff and raised in the Lawsuit and firmly believe they did not violate the law in any way and have no liability for any of Plaintiff’s or the Class Members’ claims under any statute, wage order, common law, or equitable theory. Defendants are settling this Lawsuit as a compromise. Defendants reserve the right to object to and defend themselves against any claim if, for any reason, the Settlement fails.

Questions? Contact the Settlement Administrator toll free at [PHONE NUMBER]

The Court has made no ruling on the merits of Plaintiff's claims. The Court has only preliminarily approved this class action settlement. The Court will decide whether to give final approval to this settlement at the Final Approval Hearing.

Summary of the Settlement Terms

Plaintiff has agreed to settle this case on behalf of himself and Class Members and Aggrieved Employees for the Gross Settlement Amount of \$225,000.00, unless escalated pursuant to the Settlement Agreement. The Gross Settlement includes: (1) Administration Costs up to \$12,000.00 (2) up to 32% of the Gross Settlement Amount in attorneys' fees which, unless escalated pursuant to the Settlement Agreement, shall amount to \$72,000.00; (3) up to \$25,000.00 in litigation costs to Class Counsel, according to proof; (4) up to \$7,500.00 in a Service Award to the Class Representative and (5) payment allocated to PAGA penalties in the amount of \$15,000.00 of which 75% (or \$11,250.00) will be paid to the California Labor and Workforce Development Agency ("LWDA") and twenty-five percent 25% (or \$3,750.00) will be distributed to Aggrieved Employees. After deducting these sums, a total of approximately not less than \$93,500.00 will be available for distribution to Class Members ("Net Settlement Amount"). Employer-side payroll taxes are excluded and will be separately paid by Sunset Signs.

Distribution to Class Members

Class Members who do not opt out will receive a *pro rata* payment of the Net Settlement Amount based on the number of Qualifying Workweeks worked by Class Members in hourly-paid positions for Sunset Signs in California during the Class Period ("Qualifying Workweeks"). Specifically, Class Members' payments will be calculated by dividing the number of Qualifying Workweeks attributed to the Class Member by all Qualifying Workweeks attributed to members of the Settlement Class, multiplied by the Net Settlement Amount. Otherwise stated, the formula for a Class Member is: (Individual's Qualifying Workweeks ÷ total Settlement Class Qualifying Workweeks) x Net Settlement Amount. In addition, Class Members who worked during the PAGA Period (*i.e.*, Aggrieved Employees) will receive a *pro rata* share of the \$3,750.00 allocated as PAGA penalties to Aggrieved Employees, whether or not they opt out of the class settlement, based on the number of Qualifying Pay Periods worked by each Aggrieved Employees during the PAGA Period.

Defendants' records indicate that you worked [Qualifying Workweeks] as an hourly-paid employee in California during the Class Period and [Qualifying Pay Periods] during the PAGA Period. Based on these records, your estimated payment as a Class Member would be [\$Estimated Award] and your estimated payment as an Aggrieved Employee would be [\$Estimated Award]. If you believe this information is incorrect and wish to dispute it, you must mail a dispute to the Settlement Administrator and it must be postmarked no later than [RESPONSE DEADLINE]. Please include: (1) your name, address, telephone number, last four digits of your social security number and your signature; (2) a statement of your dispute and how many Qualifying Workweeks you contend should be credited to you; and (3) any documentation you have that you contend supports your dispute.

Tax Reporting

100% of the payments for PAGA penalties to Aggrieved Employees will be allocated as penalties reported on IRS Form 1099. Twenty percent (20%) of each Settlement Payment to Class Members who do not opt out will be allocated as wages and reported on an IRS Form W-2, and eighty percent (80%) will be allocated as civil or statutory penalties and interest, which will be reported on IRS Form 1099. This notice is not intended to provide legal or tax advice on your Settlement Share.

Questions? Contact the Settlement Administrator toll free at [PHONE NUMBER]

Your check will be valid for 180 days after issuance. After 180 days, uncashed checks shall be sent to the California State Controller's Office Unclaimed Property Fund in the name of the individual, and such Class Members and/or Aggrieved Employees shall nevertheless be bound to the Settlement and the Final Approval Order.

Your Options Under the Settlement

Option 1 – Do Nothing and Receive Your Payment

If you do not opt out, you are automatically entitled to your Individual Settlement Payment (*i.e.*, your share of the Net Settlement Amount) because you are a Class Member. If you do not dispute your settlement share calculation and do not opt out of the settlement, you will be bound by the entire release in the settlement and receive your Individual Settlement Payment, as well as your Individual PAGA Payment if you are also an Aggrieved Employee. **In other words, if you are a Class Member, you do not need to take any action to receive the settlement payment(s) set forth above.**

Class Members who do not submit a valid and timely opt out (pursuant to Option 2 below), will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Claims he or she may have or had upon final approval of this Settlement and payment by Defendants to the Settlement Administrator.

Effective only upon the entry of an Order granting Final Approval of the Settlement, entry of Judgment and payment by Defendants to the Settlement Administrator of the full Gross Settlement Amount and Employers' Taxes necessary to effectuate the Settlement, Plaintiffs and all Participating Class Members release the Released Parties of any and all claims that have been or could reasonably have been asserted based on the factual allegations in the Operative Complaint as follows: For the duration of the Class Period, the release includes, for Participating Class Members: (1) all claims for failure to pay (or properly pay) overtime wages; (2) all claims for failure to pay minimum or other wages for all hours worked; (3) all claims for failure to provide meal periods or compensation in lieu thereof (including, without limitation, break premiums); (4) all claims for failure to provide rest periods or compensation in lieu thereof (including, without limitation, break premiums); (5) all claims for failure to pay all wages due upon separation from employment; (6) all claims for failure to issue accurate wage statements; (7) all claims for failure to timely pay wages during employment; (8) all claims asserting a failure to properly reimburse employees for business-related expenses; (9) all claims asserted through California Business & Professions Code section 17200, *et seq.* arising out of the Labor Code violations referenced in the FAC; and (10) all claims for relief, including damages, statutory and/or civil penalties, equitable and/or injunctive relief, attorneys' fees, interest, costs, and any other kind of relief whatsoever that could be sought based on the factual allegations and theories of liability asserted in the FAC (the "Class Released Claims"). The Parties additionally agree that the Class Released Claims shall include the release of claims under the federal Fair Labor Standards Act ("FLSA") pursuant to *Rangel v. Check Cashers*, 899 F.3d 1106 (9th Cir. 2018).

For Plaintiff, the Aggrieved Employees, and, to the extent permitted by law, the State of California, the release includes, for the duration of the PAGA Period, (a) all claims alleged in the FAC for PAGA civil penalties pursuant to Labor Code sections 96(k), 98.6, 201.3, 210, 226.3, 432.7, 432.8, 558, 1174.5, 1197.1, and 2699 in connection with alleged violations of Labor Code sections 201, 202, 203, 204, 212, 213, 221, 223, 226, 226.7, 227.3, 232, 232.5, 246 *et seq.*, 404, 432, 432.3, 432.5, 432.6, 510, 512, 558, 1102.5, 1174, 1182.12, 1194, 1194.2, 1197, 1197.5, 1198.5, 1527, 2802, 2810.5, 3366, 3457, 6401, 6402, 6403, 6409, 6409.6, 6432 and 8397.4, including for alleged (1) failure to pay (or properly pay) overtime wages; (2) failure to pay minimum or other wages for all hours worked; (3) failure to provide meal periods or compensation in lieu thereof (including, without limitation,

Questions? Contact the Settlement Administrator toll free at [PHONE NUMBER]

break premiums); (4) failure to provide rest periods or compensation in lieu thereof (including, without limitation, break premiums); (5) failure to pay all wages due upon separation from employment; (6) failure to issue accurate wage statements; (7) failure to timely pay wages during employment; (8) failure to properly reimburse employees for business-related expenses; (9) violations of Labor Code section 227.3 with respect to the payment of vacation wages; (10) failure to maintain and/or produce payroll and time records; (11) payment of wages via non-compliant instruments; (12) failure to provide Labor Code section 2810.5 notices; (13) failure to provide or properly pay for sick leave; (14) failure to provide weekly pay to temporary workers; (15) failure to provide suitable seating; (16) whistleblower retaliation; (17) failure to provide safety devices/safeguards; (18) failure to keep adequate sanitation facilities; (19) requiring employees to sign unlawful agreements; (20) unlawful pre-employment inquiries and background checks; and (21) unlawful reliance on salary history in making hiring and compensation offers (the “PAGA Released Claims”). The Class Released Claims and PAGA Released Claims are collectively referred to herein as the “Released Claims”.

“Released Parties” means Defendants and each of their past, present, and future respective subsidiaries, dba’s, affiliates, parents, insurers and reinsurers, and company-sponsored employee benefit plans of any nature and their successors and predecessors in interest, including all of their officers, directors, shareholders, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, attorneys, administrators, fiduciaries, trustees, and agents.

Option 2 – Opt Out of the Settlement

If you do not wish to receive your Individual Settlement Payment or release the Class Released Claims, you may exclude yourself by submitting a written request to be excluded from the Class. Your written request must expressly and clearly indicate that you do not want to participate in the Settlement, and you desire to be excluded from the Settlement. The written request for exclusion must include your name, Social Security Number, and the following statement or any statement standing for the proposition that you seek to be excluded from the Settlement Class: “Please exclude me from the Settlement Class in the *Palma v. Sunset Signs and Printing, Inc., et al.* matter. I understand that by requesting exclusion, I will not participate in the class settlement and will not receive any money from the class settlement.” or any statement of similar meaning standing for the proposition that you do not wish to participate in the Settlement. Sign, date, and mail your written request for exclusion by U.S. First-Class Mail to the address below.

Settlement Administrators
[Add Mailing Address]

Your written request for exclusion must be mailed to the Administrator and postmarked no later than [RESPONSE DEADLINE].

The proposed settlement includes the settlement of the PAGA Released Claims. An employee may not request exclusion from the settlement of a PAGA claim. Thus, if the court approves the settlement, then even if you request exclusion from the Class Settlement, if you are an Aggrieved Employee, you will still receive your Individual PAGA Payment and will be deemed to have released the PAGA Released Claims. A request for exclusion will preserve your right, if any, to individually pursue only the Class Released Claims.

Option 3 – Submit an Objection to the Settlement

If you wish to object to the Settlement, you may submit an objection in writing stating why you object to the Settlement. Your written objection must provide your name, address, the last four digits of your Social Security

Questions? Contact the Settlement Administrator toll free at [PHONE NUMBER]

Number, signature, and a statement of the reason(s) why you believe that the Court should not approve the Settlement. Your written objection must be mailed the Administrator and postmarked no later than [RESPONSE DEADLINE]. Please note that you cannot both object to the Settlement and opt out of the Settlement. If you exclude yourself, then your objection will be overruled. If the Court overrules your objection, you will be bound by the Settlement and will receive your Settlement Share.

Final Approval Hearing

You may, if you wish, also appear at the Final Approval Hearing set for _____ at _____ .m. in the Oraneg County Superior Court, Civil Complex Center located at 751 West Santa Ana Blvd., Santa Ana, CA 92701, in Department CX-104, and orally object to the Settlement, discuss your written objections with the Court and the Parties, or otherwise comment on the Settlement at your own expense. You may attend this hearing virtually by audio or video at <https://my.lacourt.org/laccwelcome>. You may also retain an attorney to represent you at the Hearing at your own expense.

Additional Information

This Notice of Class Action Settlement is only a summary of this case and the Settlement. For a more detailed statement of the matters involved in this case and the Settlement, you may call the Settlement Administrator at the contact information listed below.

[Insert Name] Settlement Administrator
c/o [Insert Name of Settlement Administrator]
[ADDRESS]
[PHONE NUMBER]
[WEBSITE]
[FAX]

You may also visit the Settlement Administrator's website at [WEBSITE] to gain access to key documents in this case, including the Settlement Agreement, the Order Granting Preliminary Approval of this Settlement, the Order Granting Final Approval of this Settlement, and the Final Judgment.

You may also refer to the pleadings, the Settlement Agreement, and other papers filed in this case, which may be inspected at the Orange County Superior Court, Civil Complex Center located at 751 West Santa Ana Blvd., Santa Ana, CA 92701, during regular business hours of each court day. You may also obtain these documents through the Court's website at <https://www.occourts.org/online-services/case-access>.

All inquiries by Class Members regarding this Notice of Class Action Settlement and/or the Settlement should be directed to the Settlement Administrator.

DO NOT CONTACT THE CLERK OF THE COURT OR THE JUDGE WITH INQUIRIES.

#2835365v4

Questions? Contact the Settlement Administrator toll free at [PHONE NUMBER]

EXHIBIT 2



Joshua Shirian
Attorney at Law
468 N. Camden Dr. Suite 200
Beverly Hills, California 90210
Tel: 310.801.6101
josh@shirianlaw.com
www.shirianlaw.com

February 2, 2024

PAGA NOTICE FILED ELECTRONICALLY

Re: Notice Letter of Jimmy A. Palma on Behalf of Himself and Aggrieved Employees Under California Labor section 2699.3

Employer: Sunset Signs and Printing, Inc.
2906 E. Coronado Street
Anaheim, California 92806

Tracy Eschenbrenner
info@sunsetsignsoc.com

To Whom It May Concern:

This letter shall constitute notice under Labor Code section 2699.3 (hereinafter "PAGA Notice"). The \$75 filing fee for the PAGA Notice was paid online by credit card at the time this PAGA Notice was submitted online to the Department of Industrial Relations.

This PAGA Notice concerns Jimmy A. Palma ("Employee") employment with Employee's former employers: Sunset Signs and Printing, Inc. and Tracy Eschenbrenner. Employee was employed as a non-exempt employee of Sunset Signs and Printing, Inc and Tracy Eschenbrenner at, without limitation, 2906 E. Coronado Street, Anaheim, California 92806 with duties that included, but were not limited to, installing and fabricating signs from approximately November of 2022 and through approximately October of 2023. In connection with the alleged claims for failure to comply with Labor Code section 2810.5, Labor Code section 203, Labor Code section 226, Labor Code section 245, *et seq.*, Labor Code section 432, Labor Code section 1198.5, Labor Code section 2802, restraints on competition, whistleblowing and freedom of speech, Employee seeks to represent all employees of Sunset Signs and Printing, Inc and Tracy Eschenbrenner, and each of them, as well as their parents, subsidiaries and affiliates (hereinafter, collectively, "Employer"). On all other claims mentioned herein, Employee seeks to represent only non-exempt employees of Employer.

Employee and other aggrieved employees are covered by Labor Code section 510 and applicable Wage Orders. Employee is informed and believes, and based thereon alleges, that Employer had and has a policy or practice of requiring its employees to work more than eight (8) hours per day, forty (40) hours per week, and/or seven (7) straight workdays in a workweek without paying them proper overtime wages, as a result of, without limitation, failing to accurately track and/or pay for all minutes actually worked; engaging, suffering, or permitting employees to work off the clock, including, without limitation, by requiring employees: to come early to work and leave late work without being able to clock in for all that time, to suffer under Employer's control

due to long lines for clocking in, to complete pre-shift tasks before clocking in and post-shift tasks after clocking out, to clock out for meal periods and continue working, to clock out for rest periods, to don and doff uniforms and/or safety equipment off the clock, to attend company meetings off the clock, to make phone calls or drive off the clock, and/or go through security screenings and/or temperature checks off the clock; failing to include all forms of remuneration, including non-discretionary bonuses, incentive pay, meal allowances, mask allowances, gift cards and other forms of remuneration into the regular rate of pay for the pay periods where overtime was worked and the additional compensation was earned for the purpose of calculating the overtime rate of pay; detrimental rounding of employee time entries, editing and/or manipulation of time entries to show less hours than actually worked, for paying straight pay instead of overtime pay, and by attempting but failing to properly implement an alternative workweek schedule (“AWS”) (including, without limitation, by failing to implement a written agreement designating the regularly scheduled alternative workweek in which the specified number of work days and work hours are regularly recurring; failing to adopt the AWS in a secret ballot election, before the performance of work, by at least a two-thirds (2/3) vote of the affected employees in the work unit; failing to follow the notice/disclosures procedures prior to any AWS election; and/or failing to register an AWS election with the State of California, as required by Labor Code section 511 and applicable Wage Orders) all to the detriment of Employee and other aggrieved employees. Consequently, Employee is informed and believes, and based thereon alleges, that Employer violated Labor Code sections 510, 1194, and applicable Wage Orders based on its practice of providing total compensation that is less than the required legal overtime compensation for the overtime worked, entitling Employee and other aggrieved employees to damages. Employer would also be liable for civil penalties pursuant to Labor Code sections 558 and 2699.

Employee is informed and believes, and based thereon alleges, that Employer had and has a practice or policy of failing to compensate Employee and other aggrieved employees with minimum wages for all hours worked or otherwise under Employer’s control as a result of, without limitation, failing to accurately track and/or pay for all minutes actually worked; engaging, suffering, or permitting employees to work off the clock, including, without limitation, by requiring employees: to come early to work and leave late work without being able to clock in for all that time, to suffer under Employer’s control due to long lines for clocking in, to complete pre-shift tasks before clocking in and post-shift tasks after clocking out, to clock out for meal periods and continue working, to clock out for rest periods, to don and doff uniforms and/or safety equipment off the clock, to attend company meetings off the clock, to make phone calls or drive off the clock; detrimental rounding of employee time entries; editing and/or manipulation of time entries to show less hours than actually worked; and failing to pay split shift premiums. In addition, Employee and other aggrieved employees were required to report to work, and did report, but were not put to work and/or were furnished less than half their usual or scheduled day’s work without being paid for half the usual or scheduled work at their regular rate of pay. As such, Employee is informed and believes, and based thereon alleges, that Employer violated, without limitation, Labor Code sections 221, 223, 1197, 1182.12, Cal. Code Regs, title 8, section 110404(5)(A), and applicable Wage Orders based on its continued failure to pay minimum wages for all hours worked, entitling Employee and other aggrieved employees to actual and liquidated

damages under, without limitation, Labor Code sections 1194 and 1194.2. Employer would also be liable for civil penalties pursuant to Labor Code sections 558, 1197.1, and 2699.

Employee is informed and believes, and based thereon alleges, that Employer had and has a policy or practice of compelling its employees to work in excess of five (5) and ten (10) hours per day without being afforded uninterrupted, timely, and complete 30-minute meal periods or compensation in lieu thereof including, without limitation: by interrupting meal periods; not providing timely meal periods; failing to provide first and second meal periods; providing short meal periods; requiring that employees carry cellular telephones or walkie-talkies during meal periods; not permitting employees to leave the premises; otherwise requiring on-duty/on-call meal periods; and auto-deducting meal periods that could not be auto-deducted by law or during which employees worked. Consequently, Employee is informed and believes, and based thereon alleges, that Employer violated Labor Code section 512, entitling Employee and other aggrieved employees to premium payments under Labor Code section 226.7. However, Employee is informed and believes that those premium payments under Labor Code section 226.7 were not made, either, for these non-compliant meal periods, either at all or at the proper regular rate of pay. Employer would thus be liable for civil penalties pursuant to Labor Code sections 558 and 2699 for both failing to authorize the taking of compliant meal periods, as well as for failing to provide premium pay under Labor Code section 226.7.

Employee is informed and believes, and based thereon alleges, that Employer maintains policies or practices of compelling its non-exempt employees, including, without limitation, Employee, to work over four-hour periods (or major fractions thereof) without authorizing and permitting Employee and other aggrieved employees to take uninterrupted, timely, and complete ten-minute rest periods in which the employees are completely relieved of all of their duties, including, without limitation: by failing to provide rest periods all together; requiring that they be bundled together and/or with meal periods; interrupting them; requiring that employees carry cellular telephones or walkie-talkies during rest periods not providing them in a timely fashion; and not permitting employees to leave the premises; and otherwise requiring on-duty/on-call rest periods. As such, Employee is informed and believes, and based thereon alleges, that Employee and other aggrieved employees are entitled to relief under, without limitation, Labor Code section 226.7. However, Employee is informed and believes that those premium payments under Labor Code section 226.7 were not made, either, for these non-compliant rest periods, either at all or at the proper regular rate of pay. Employer would thus be liable for civil penalties pursuant to Labor Code sections 558 and 2699 for both failing to authorize the taking of compliant rest periods, as well as for failing to provide premium pay under Labor Code section 226.7.

Employee is informed and believes, and based thereon alleges, that Employer maintains policies or practices of failing to permit Employee and other aggrieved employees from taking cooldown rest periods as required under California Code of Regulations, Title 8, Section 3395 and premium pay in lieu thereof under Labor Code section 226.7. As a result, Employer would be liable for civil penalties under Labor Code sections 558 and 2699.

In addition to the above, Employee is informed and believes, and based thereon alleges that Employer failed and continue to fail to keep adequate or accurate time records including wage statements and similar payroll documents under Labor Code section 226, documents signed to obtain or hold employment under Labor Code section 432, personnel records under Labor Code section 1198.5, and time records under Labor Code section 1174, making it difficult for Employee and other aggrieved employees to calculate their unpaid wages and/or premium payments. Employer also failed to provide these documents to Employee and other aggrieved employees upon request. This would entitle Employee and other aggrieved employees to penalties prescribed by Labor Code sections 226 and 1198.5. Employer would also be liable for civil penalties pursuant to Labor Code sections 558, 1174.5 and 2699.

As a result of, among other things, Employer's herein-described policy or practice of failing to: accurately record time; failing to pay overtime and minimum wages; provide meal periods; provide rest periods; and provide compensation in lieu of meal or rest periods; as described above, Employee is informed and believes, and based thereon alleges, that Employer also intentionally failed and continues to fail to furnish aggrieved employees, including, without limitation, Employee, with itemized wage statements that accurately reflect: gross wages earned; total hours worked by the employee; net wages earned; all deductions; all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee; the legal name and address of the other; and other such information as required by Labor Code section 226, subdivision (a). Specifically, Employer intentionally failed to furnish employees with itemized wage statements that accurately reflect the hours worked by Employee and other aggrieved employees and the rates of pay at which they were or should have been paid (including due to failure to pay at the proper regular rate), thus resulting in a failure to reflect gross and net wages earned and paid at each rate, as well. Consequently, since Employer would have failed to comply with Labor Code section 226, subdivision (a), Employee and other aggrieved employees would be entitled to recover penalties under, without limitation, Labor Code section 226, subdivision (e). Employer would also be liable for civil penalties pursuant to Labor Code sections 226.3, 558, and 2699.

Employee is informed and believes, and based thereon alleges, that Employer also failed and refused, and continue to fail and refuse, to timely pay compensation to Employee and other terminated or resigned employees, including but not limited to, all overtime wages owed; all minimum wages owed; and all premium pay owed as set out above, including, without limitation, for failure to pay at the proper regular rate of pay, among other things. Consequently, Employer would be liable for waiting time penalties for having violated California Labor Code sections 201, 202, and 203. Employer would also be liable for civil penalties pursuant to Labor Code sections 558 and 2699.

Employee is informed and believes, and based thereon alleges, that Employer has or had a policy or practice of unlawfully deducting wages by issuing in payment of wages due, or to become due, or as an advance on wages to be earned: an order, check, draft, note, memorandum, gift card, or other acknowledgement of indebtedness, (unless it was negotiable and payable in cash, on demand, without discount, at some established place of business in the state), the name and address

of which must but did not appear on the instrument, and at the time of its issuance and for a reasonable time thereafter, which must be but was not at least 30 days, the maker or drawer did not have sufficient funds in, or credit, arrangement, or understanding with the drawee for its payment or any scrip, coupon, cards, or other thing redeemable, in merchandise or purporting to be payable or redeemable otherwise than in money. Employee is further informed and believes, and based thereon alleges, that such wages were not compensated at the “regular rate” of compensation as provided under Labor Code sections 226.7 and 510, subsection (a). Consequently, Employee is informed and believes, and based thereon alleges, that Employee and other aggrieved employees are entitled to relief under, without limitation, Labor Code sections 212, 213, 226.7, and 510 subsection (a). Employer would thus be liable for civil penalties pursuant to Labor Code sections 558, 1197.1, and 2699.

Employee is further informed and believes, and based thereon alleges that Employer failed and refused, and continues to fail and refuse, to comply with the notice requirements of Labor Code section 2810.5 (*i.e.*, the Wage Theft Protection Act of 2011) by, among other things, failing to provide Employee and other aggrieved employees with the rates of pay and overtime rates of pay applicable to their employment, allowances claimed as part of the minimum wage, the regular payday designated by Employer, the name of the employer, including any “doing business as” names used, the name, address and telephone number of the workers’ compensation insurance carrier, information regarding paid sick leave, and other pertinent information required to be disclosed by Employer under Labor Code section 2810.5. Employee is informed and believes that failure to provide such information, including rates of pay that are in effect, has permitted Employer to pay employees at rates of pay that were not agreed upon and violate minimum wage and overtime wage laws in California. Employee is additionally informed and believes that the notice requirement of Labor Code section 2810.5 involves a mandatory payroll or workplace injury reporting. Among other relief, employees may collect from Employer in connection with these violations’ civil penalties pursuant to Labor Code sections 558 and 2699.

Employee is informed and believes, and based thereon alleges that Employer also failed and refused, and continues to fail and refuse, to reimburse employees, including, without limitation, Employee and other aggrieved employees, with their costs incurred for driving personal vehicles (*i.e.*, mileage and gas), purchasing uniforms, providing uniform and other deposits, separately laundering mandatory uniforms, for the purchase of tools and safety equipment, and for the purchase and maintenance of cellular phones and cellular phone plans, in direct consequence of the discharge of their duties, or of their obedience to the directions of Employer, as required by Labor Code section 2802, and other statutory and common law offenses. As a result, Employer are liable to reimburse Employee and other aggrieved employees for these costs incurred in furtherance of work duties. In addition, Employer would be liable for civil penalties pursuant to Labor Code sections 558 and 2699.

Employee is further informed and believes, and based thereon alleges, that Employer has or had a policy or practice of failing to reimburse deposits made, including uniform deposits together with all interest owed at the separation of employment in violation of Labor Code section 404, entitling Employee and other aggrieved employees to damages in the amount of the deposit

and accrued interest. Employer would also be liable for civil penalties under Labor Code sections 558 and 2699.

Employee is further informed and believes, and based thereon alleges, that Employer has or had a policy or practice of failing to provide Employee and other aggrieved employees with all rights afforded to them under the Healthy Workplace Healthy Families Act of 2014, codified at Labor Code section 245, *et seq.*, including, without limitation, the amount of paid sick leave required to be provided pursuant to California and local laws. Employee is further informed and believes that the sick pay was not provided at the proper regular of pay as required under California law due to failure to properly calculate the regular rate. Employee is further informed and believes that Employer also did not permit its use upon request by Employee and other aggrieved employees as contemplated under California and local laws. Employee is additionally informed and believes that the notice requirement of Labor Code section 245 *et seq.* involves a mandatory payroll or workplace injury reporting. As such, Employer would be liable for civil penalties for violation of the paid sick leave regulations under Labor Code section 2699, as well as equitable, injunctive, or restitutionary relief, and reasonable attorneys' fees and costs.

Employee is informed and believes, and based thereon alleges that Employer had and has a policy or practice of failing to pay aggrieved employees their paid time off and vacation time owed upon separation of employment as wages at their final rate of pay in violation of Labor Code section 227.3 and applicable Wage Orders. As such, Employer would be liable for civil penalties for violation of Labor Code section 227.3 under Labor Code section 558 and 2699.

Employee is informed and believes, and based thereon alleges that Employer had and has a policy or practice of failing to pay aggrieved employees their wages in accordance with Labor Code Section 204, which requires that: "[l]abor performed between the 1st and 15th days, inclusive, of any calendar month shall be paid for between the 16th and 26th day of the month during which the labor was performed, and labor performed between the 16th and the last day, inclusive of any calendar month, shall be paid for between the 1st and 10th day of the following month." Employee is informed and believes and based thereon alleges that Employer did not and do not pay Employee and other aggrieved employees in accordance with Labor Code Section 204. As such, Employee is informed and believes, and based thereon alleges that Employer violated Labor Code section 204. Employer would be liable for civil penalties pursuant to Labor Code sections 210, 558 and 2699.

Employee is informed and believes, and based thereon alleges that Employer had and has a policy of failing to provide all temporary workers with owed wages weekly by not later than the regular payday of the following week. As a result, pursuant to Labor Code section 201.3, Employer would be liable for civil penalties pursuant to Labor Code sections 201.3.

Employee is informed and believes, and based thereon alleges that Employer had and has a policy or practice of failing to provide all working employees with suitable seats when the nature of the work reasonably permits the use of seats. Employee is further informed and believes, and based thereon alleges that Employer has failed to place an adequate number of seats in reasonable

proximity to the work area and/or permitted employees to use such seats when it does not interfere with the performance of their duties when employees are not engaged in the active duties of their employment and the nature of their work requires standing.

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

Employee is informed and believes, and based thereon alleges that Employer had and has a policy or practice of preventing Employee and/or other aggrieved employees from disclosing violations of state and federal law, either within Employer to their managers or outside Employer to private attorneys or government officials, among others, in violation of Business and Professions Code section 17200, and, thus, in violation of Labor Code section 1102.5. In addition, Employee is informed and believes that these policies and/or practices prevent Employee and/or other aggrieved employees from disclosing information about unsafe or discriminatory working conditions, or about wage and hour violations in violation of Labor Code section 232 and 232.5. These violations of the Labor Code would expose Employer to liability for civil penalties pursuant to Labor Code section 2699.

Employee is informed and believes, and based thereon alleges that Employer had and has a policy or practice of preventing Employee and/or other aggrieved employees from engaging in lawful conduct during non-work hours, thus violating state statutes entitling employees to disclose wages, working conditions, and illegal conduct, including, without limitation, Labor Code sections 96, subdivision (k), 98.6, 232, 232.5, and 1197.5, subdivision (k). Employee is informed and believes that this lawful conduct includes the exercise of Employee and/or other aggrieved employee's constitutional rights of freedom of speech and economic liberty and would thus expose Employer to liability for civil penalties pursuant to Labor Code section 2699.

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

Employee is informed and believes, and based thereon alleges, that Employer had and has a practice or policy of conducting unlawful background checks on prospective and current

employees prior to making a conditional offer. Employee is informed and believes, and based thereon alleges, that Employer violated applicable laws by, without limitation: requiring job applicants and employees to disclose their conviction history before Employer made a conditional offer of employment; inquiring into or considering the conviction history of applicants before Employer made any conditional offers of employment; considering, distributing, or disseminating information about arrests not followed by conviction, referrals to or participation in a pretrial or posttrial diversion program, convictions that have been sealed, dismissed, expunged, or statutorily eradicated pursuant to law, or any conviction for which the convicted person has received a full pardon or has been issued a certificate of rehabilitation, while conducting conviction history background checks in connection with any applications for employment; intending to deny an applicant a position of employment solely or in part because of the applicant's conviction history; and asking applicants for employment to disclose, through any written form or verbally, information concerning or related to an arrest, detention, processing, diversion, supervision, adjudication, or court disposition that occurred while the person was subject to the process and jurisdiction of the juvenile court, to the detriment of Employee and other aggrieved employees. As such, Employee is informed and believes, and based thereon alleges, that Employer violated, without limitation, Labor Code section 432.7 and Government Code section 12952, entitling Employee and other aggrieved employees to damages. Employer would also be liable for civil penalties pursuant to Labor Code sections 432.7, 432.8, and 2699.

Employee is informed and believes, and based thereon alleges, that Employer had and has a practice or policy of relying on the salary history information of an applicant for employment as a factor in determining whether to offer employment to an applicant or what salary to offer the applicant in violation of Labor Code section 432.3 by including, on Employer's application for employment, an inquiry regarding current and/or former salary history information, including, without limitation, compensation and benefits of the applicant for employment. As such, Employee is informed and believes, and based thereon alleges, that Employer violated, without limitation, Labor Code section 432.3 entitling Employee and other aggrieved employees to damages. Employer would also be liable for civil penalties pursuant to Labor Code sections 432.3 and 2699.

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California Labor and Workforce Development Agency
February 2, 2024
Page 9

Pursuant to Labor Code section 2699.3, subdivision (a)(2)(A), please advise within sixty-five (65) calendar days of the postmarked date of this notice whether the LWDA intends to investigate the violations alleged above. Our office understands that if we do not receive a response within sixty-five (65) calendar days of the postmark date of this PAGA Notice that the LWDA intends to investigate these allegations, Employee may immediately thereafter file a civil complaint against Employer to allege causes of action for civil penalties under the Private Attorney General Act for the herein-described alleged violations of the Labor Code.

Very truly yours,

SHIRIAN LAW, P.C.

A handwritten signature in black ink, appearing to read 'Joshua Shirian', is written over the printed name.

Joshua Shirian

cc: Sunset Signs and Printing, Inc (via U.S. Certified Mail, Return Receipt Requested)
Tracy Eschenbrenner (via E-mail)